

FBIS

DAILY REPORT

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MINISTERS COMMENT FOLLOWING CONTADORA MEETING

PA310229 Panama City Televisora Nacional in Spanish 2300 GMT 30 May 83

[Report on comments made by the Central American foreign ministers following their meeting with the ministers of the Contadora Group in Panama City on 30 May 1983]

[Text] The Central American foreign ministers have granted interviews to this station. The Guatemalan foreign minister [Eduardo Castillo Arriola] explained matters related to the creation of a technical group that will analyze the procedures to be used in the search for peace.

[Begin Castillo recording] So far there has been an exchange of information, of opinions on the most pressing problems. Several initiatives have been examined and we believe that, although no solutions have been devised, we foreign ministers of the Contadora Group and the Central American countries have better information and viewpoints; and now the entire package, so to speak, will be turned over to a working group of technicians who will not only gather information, but may possibly also propose some viewpoints that might help the foreign ministers to make the final decisions.

The meeting of the group of technicians is expected to take place no later than 10 or 15 days from now. The technicians will work assiduously. This group will be made up of representatives of the Contadora Group countries and of the Central American countries; and after some 15 days of work, in which it will carry out consultations and gather information, this group will even propose procedures for handling each of the problem areas that have been identified. [end recording]

For his part, Salvadoran Foreign Minister Fidel Chavez Mena expressed the belief that some progress has been made in these meetings.

[Begin Chavez Mena recording] In my opinion, the results are positive. I believe that there has been some progress from the fact that we have begun discussions. First of all, as you must have been told, we have made a list of the major topics being faced by the Central American region. This took us all day yesterday. It is not easy to complete such an all-encompassing list; and second, we have recognized the need to continue holding meetings of this kind, although they are truly exhausting.

We have considered the establishment of a working group made up of all the countries that have participated in this meeting. This group will have to collect information, obtain opinions, study matters of procedure for dealing with all the various topics, and even (?delve) into the technical details of many of these topics, such as the economic and social problems.

Progress has been made by virtue of the fact that we sat down to discuss a list of the most important problem areas affecting the region, and that we have decided to establish this technical group to begin to collect the necessary information regarding these problems. [end recording]

According to Honduran Foreign Secretary Edgardo Paz Barnica, the dialogue has been positive. He said that Honduras wants peace. [Begin recording] [Paz Barnica] We have been meeting for 16 hours: nine foreign ministers -- the five Central American foreign ministers and the four Contadora ministers. In these 16 hours we held cordial, respectful, and fruitful talks. That in itself is very important, right?

[Unidentified newswoman] Has there been any dialogue between Nicaragua and Honduras?

[Paz Barnica] There has been a dialogue among the nine of us who were there, right? We discussed various topics in a broad context, but I do not wish to continue giving opinions on the subject, since there is a policy of reserve.

[Newswoman] Are you optimistic?

[Paz Barnica] What? Yes, I am indeed optimistic. Moreover, I have a slogan that I always repeat: If Nicaragua wants war, Honduras wants peace. However, there have been 16 hours of intensive talks, of deliberations among the nine foreign ministers, together. Basically, the five Central American foreign ministers met with the participation of the four Contadora Group foreign ministers. This is very positive. I feel this is significant progress and that we must continue to struggle for peace, as President Roberto Suazo Cordova's constitutional government is doing. We must struggle for peace, to strengthen a pluralist and participatory democracy in Central America, and for cooperation for development.

[Newswoman] How about the military base in Honduras?

[Paz Barnica] First of all, there is no military base in Honduras. I want to say this clearly. No agreement has been signed about military bases. [end recording]

Nevertheless, Nicaragua insists that Honduras does not wish to engage in bilateral talks, even though there have been multilateral talks.

[Begin recording] [Nicaraguan Foreign Minister Miguel d'Escoto Brockman] It is obvious that the Contadora Group -- the four foreign ministers of those brother countries -- is making a great effort to solve the Central American problems and, within all this, it is necessary to recognize, as the UN Security Council has recognized, that the most serious problem -- because it represents the threat of a war between two brother countries -- is the problem existing between Honduras and Nicaragua as a result of the complicity of Honduras, because it permits the use of its territory by forces that are armed, financed, and directed by the Reagan administration to invade Nicaragua.

[Newswoman] Has any solution to this problem been proposed?

[D'Escoto] In this specific case, despite the suggestions that have been made for Honduras to agree to the possibility of a constructive and frank bilateral dialogue with Nicaragua to ease the tension and avert the possibility of a war that Honduras should also be interested in avoiding, despite this, I note something that truly worries me. I am referring to Honduras' position.

In the information bulletin of the second round of consultations held here in Panama, about a month ago, there was a paragraph that stated that we had reached the unanimous decision that it was necessary to adopt flexible methods that were adjusted to the nature of the topics. We were talking about procedures, the method of dealing with each topic.

It was said that it was necessary to subject each topic to the procedure that reflects its nature; in other words, if they were bilateral matters, they should be discussed bilaterally, and if the topics were multilateral or regional, topics that affect all the countries equally, then we would have to act accordingly.

We have always insisted on the importance of, first, discussing the bilateral issue with Honduras, but we have never refused to devote ourselves later to the multilateral issues. We simply said that it is important to discuss bilateral matters with Honduras, because this is the greatest threat to the region. Nevertheless, we came here with the intention of being as flexible as possible, and since Honduras cannot do this first, we said: Then let us do it simultaneously. If you are so interested, if you are more interested in the other problems of the region than in seeking peace with Nicaragua, well, we are more interested in avoiding war. However, let us simultaneously begin to discuss matters of interest to all; and, at the same time, you and I can sit down to discuss bilateral matters. However, Honduras continues to refuse. [end recording]

Interview With Guatemala's Castillo

PA310240 Panama City Domestic Service in Spanish 2335 GMT 30 May 83

[Demetrio Olaciregui interview with Guatemalan Foreign Minister Eduardo Castillo Arriola at the end of the meeting of Contadora Group and Central American foreign ministers in the Panama Hilton Hotel in Panama City -- live or recorded]

[Excerpts] [Olaciregui] What was your impression, your general assessment of the meeting?

[Castillo] Very positive. It was the first formal meeting. It was very positive because, although the procedures were all carried out at the foreign minister level, it was possible to outline the problems that exist. An agenda was approved containing the structural problems regarding the principles of policy and security, very specific issues that relate to the political problems and the security of Central America. We also discussed the plans for economic and social development, and, finally, the possibility of seeking instruments or controls that will make it possible to reach a solution and restore peace in Central America.

[Olaciregui] In your working methods, was the main aim to find multilateral solutions or bilateral solutions to the crisis?

[Castillo] The problems differ; there are some of a bilateral nature and others of a multilateral nature. The problem between Costa Rica and Nicaragua, for example, concerns the sovereignty of these two countries and the search for mechanisms with the Contadora Group or between the two countries involved that may lead to the solution of specific problems. In this case, the experience of Costa Rica, which is already bearing results, is a good example of the solution of strictly bilateral issues.

Meanwhile, there are a number of problems or problem areas involving the security and peace of Central America that affect the entire area and that will have to be discussed globally or regionally with the assistance of the four Contadora Group nations, who are making a truly worthy effort to find concurrence among the nations of the area that may lead to a solution.

[Olaciregui] What is the essence of the issues listed today as compared to those brought forth in the previous meeting?

[Castillo] There are some differences. Considering the issues discussed, the list is not long; but it is a basic list of the problems that affect peaceful coexistence, the principles of international law, and the affirmation of constitutional processes for the self-determination of the peoples. Besides this, there are the political problems, which will be discussed by the second group of six partners [as heard], problems that have most seriously contributed to the destabilization, the insecurity, and the absence of peace in the area.

Finally, as the finishing touch, once peace and peaceful coexistence are achieved in the area, there will be the extremely pressing need to change the economic integration mechanisms, because the economic crisis affecting our countries can only be overcome with the integrated cooperation of these five countries.

Colombian Minister Interviewed

PA310217 Panama City Domestic Service in Spanish 2335 GMT 30 May 83

[Demetrio Olaciregui interview with Colombian Foreign Minister Rodrigo Lloreda at the conclusion of the meeting of the Contadora Group and Central American foreign ministers in Panama City on 30 May -- recorded]

[Text] [Olaciregui] Has the meeting strengthened the Contadora peace efforts?

[Lloreda] I believe we have advanced, although the problems are very delicate and complex and do not permit more effective results in such a short time. Every peace effort has historically demanded the creation of proper conditions for the parties to be able to talk. We have been working on this for the past few weeks, and the results are now beginning to take shape. The foreign ministers have shown optimism and the desire to continue the process without losing this only existing mechanism of hope for an area afflicted by serious conflicts where the victims are the Central American natives.

[Olaciregui] What is expected of the Cartagena meeting?

[Lloreda] The Cartagena meeting is of more of a commemorative nature, but it will offer an opportunity for sectors from various parts of the continent to meet and renew their commitment to peace and to finding peaceful solutions to their problems, to agree on the search for more suitable economic and social conditions for our peoples and, naturally, to talk among themselves. It is our intention not to have a rigid agenda in order to avoid -- due to the nature of the existing problems -- any difficulties at the meeting, which will be a historic gathering, since there are 27 countries represented in the Cartagena commemoration activities.

[Olaciregui] Thank you very much, Minister Lloreda.

SELA SCORES U.S. CUT IN NICARAGUAN SUGAR QUOTA

PA280100 Paris AFP in Spanish 2214 GMT 27 May 83

[Text] Caracas, 27 May (AFP) -- Latin America today repudiated the U.S. decision to cut its sugar imports from Nicaragua by 90 percent. The decision came during a meeting of the Latin American Economic System (SELA) held in Caracas.

The 26 SELA member countries unanimously approved an eight-point resolution stating that Washington's decision against Nicaragua "affects the autonomy and threatens the economic security of this member state and constitutes a case of grave economic emergency as described in Article 1 of Decision 117."

This decision, which relates to regional economic security, was made following U.S. and European Economic Community (EEC) economic sanctions imposed on Argentina during the Malvinas war with Great Britain. The 26 SELA member countries consider that the U.S. decision aggravates the tensions in Central America. After backing the Contadora Group's pacification efforts, SELA urged the United States to revoke its decision.

ENERGY MINISTERS APPROVE PRODECA PROGRAM

PA272005 Paris AFP in Spanish 0241 GMT 25 May 83

[Excerpt] Quito, 24 May (AFP) -- The Central American Energy Development Program [Programa de Desarrollo Energetico Centro-Americano -- PRODECA] was approved here by six Central American energy ministers and signed this afternoon at the Government Palace in the presence of Ecuadorean President Osvaldo Hurtado.

PRODECA, as the program will be identified within the new phase of the Central American Isthmus Energy Program [Programa Energetico del Istmo Centro-Americano -- PEICA], will be dedicated to energy planning, one of the four areas of PEICA's progress.

CRESPO NAMES AIRPORT, VOWS FALKLANDS RECOVERY

PY311700 Buenos Aires DYN in Spanish 1135 GMT 31 May 83

[Text] San Julian (Santa Cruz), 31 May (DYN) -- General Ernesto Crespo, commander of the Southern Air Force during the Malvinas war, said -- in clear reference to the recovery of the islands -- that the new local airport, opposite the islands under dispute, "will become in the near future a military base to put an end once and for all to the unfinished effort."

Yesterday Crespo, chief of staff of the Air Operations Command, headed the ceremony giving the airport the name "Capitan Jose Daniel Vazquez." Vazquez commanded the squadron which tried to attack the British aircraft carrier "Invincible." He disappeared at sea during that action.

In clear reference to the recovery of the islands, Crespo emphasized that "it will be done, not only for our fatherland but to show the world that Captain Vazquez' sacrifice and that of all his other dead comrades were not in vain: This is the commitment we make as we stand at the plaque bearing his name."

Crespo later told DYN that "the Air Force believes that the country is not in a position to make any kind of expenditures, therefore the only thing the Air Force has done is to replace what it had." Regarding press reports that Great Britain is building a new airport in Mount Pleasant, 30 km northwest of Puerto Argentino, he said that "officially there is no knowledge that any type of construction is being carried out. Construction of this type cannot be done at this time of the year."

About alleged "harassment actions" by Argentine airplanes, Crespo said that "the Air Force fulfills its normal activities: The talk about harassment is the responsibility of the one saying it."

SOVIET OFFICIALS DISCUSS TRADE, DEPART

PY311555 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1510 GMT 31 May 83

[Text] Buenos Aires, 31 May (NA) -- Today, the Soviet deputy minister of foreign trade, Nikolay Smelyakov, said that the Soviet Union is willing to cooperate in the construction of the Yacyreta dam. However, the Soviet official said that Yacyreta was not discussed with Argentine officials during his stay in our country.

Just before returning to Moscow, Smelyakov said: "We did not discuss this matter during our negotiations with the Argentine officials because this matter is not only clear to us but also to Argentina. However, we are willing to cooperate in this project."

In statements to reporters at the Ezeisa International Airport, the Soviet deputy minister said that his country intends to balance bilateral trade, a trade which is quite favorable to Argentina. He explained that "we believe that this gap must be reduced by an increase of our exports to Argentina, not by a reduction of Argentine exports to the Soviet Union."

In this regard he said that the important thing -- from the USSR viewpoint -- is to cooperate "in the production of energy equipment and, in particular, in the construction of the Piedra de Aguila dam project" south of Buenos Aires Province. He emphasized the Soviet Union's participation in the construction of the Salto Grande dam, supplying 14 Kaplan-type turbines.

In conclusion, he reiterated that the USSR "is not going to reduce its purchases from Argentina" and that, on the contrary, "we will do as much as possible to increase our exports to this country. We have discussed this matter with secretaries and under secretaries who promised to cooperate. We ourselves have to work to achieve it."

POSSIBLE IMPORTATION OF SOVIET OIL REPORTED

PY270255 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1448 GMT 26 May 83

[Excerpt] Buenos Aires, 26 May (NA) -- Alieto Guadagni, the secretary of the Energy Department, revealed that the Government Oil Deposits (YPF) is making "the final evaluations" of a project to buy 1 million cubic meters of oil from the USSR. However, he stressed that the purchase does not respond to a massive oil importation policy.

"We do not think it is wise to spend money to burn fuel," he said. Guadagni made this announcement during an interview with DYN, at which he expressed his concern over Argentina's "low reserves." He explained that while normal fuel stocks cover needs for 20 days, the present reserves will only cover consumption for 14 days.

However, Guadagni stressed that the possible purchase of Soviet oil "is not connected" with the current local production decline. He also explained that the purchase, which had been considered in the past, will be "studied again" because of the current problems.

Guadagni's statement somewhat contradicts recent statements by YPF President Juan Bustos Fernandez, who said that "Argentina has enough fuel for the rest of the year" and that it is "exporting."

Guadagni then revealed the possible importation of 1 million cubic meters of oil from the Soviet Union. Nevertheless, reliable sources reported that the initial objective was to buy crude oil to process it and then to export the products. Now, the decrease in the local oil production might force the use of the Soviet oil on the internal market, since the above sources revealed that YPF has been making minimum deliveries to oil refineries.

The sources reported that there are good chances for closing the deal and that the enterprise Astra is participating in the negotiations.

FLOOD VICTIMS TO RECEIVE AID FROM USSR

PY280312 Buenos Aires TELAM in Spanish 2210 GMT 27 May 83

[Text] Buenos Aires, 27 May (TELAM) -- The Soviet Embassy in Buenos Aires confirmed today a report datelined Moscow that the USSR will send aid for Argentina's flood victims.

The Soviet Red Cross and Red Crescent will send 2 tons of medicines and 2,000 blankets to the Argentine Red Cross. The Soviet aid will be brought by Aeroflot, but the flight's date is still to be confirmed.

AMBASSADOR TO CUBA TERMS RELATIONS 'VERY GOOD'

PY311713 Buenos Aires TELAM in Spanish 2055 GMT 27 May 83

[Text] Havana, 27 May (TELAM/PL) -- Argentine Ambassador to Havana Luis Claraso de la Vega has stated that Argentina's relations with Cuba "are very good," adding that "there is a major chance for improving them in the economic, commercial and cultural fields."

The diplomat said that "Argentina and Cuba are working intensively on various subjects of common interest." Claraso de la Vega also stated that Cuba's support for Argentina's right to recover the Malvinas has deeply moved the Argentine people.

The diplomat stated that Cuban authorities have been very obliging with him since he arrived in Cuba 8 months ago, adding that he maintains a fluid dialogue with Cuban authorities at all levels. The Argentine ambassador made these statements to LATIN PRESS during a reception to commemorate the anniversary of the declaration of Argentina's independence [as received] on 25 May 1810.

Finally, the ambassador said that here in America, where we are learning to coexist, we who are Americans, Cuba and Argentina are a concrete example of nations that maintain excellent relations.

The reception hosted by the Argentine diplomat was attended by high-ranking Cuban authorities, including Flavio Bravo, president [as received] of the National Assembly of the People's Government; Jose Ramon Fernandez, vice president of the Council of Ministers and education minister [as received], and Irma Sanchez, minister president of the State Committee for Material and Technical Supply.

All the diplomatic corps accredited to the Cuban Government also participated in the reception except for British diplomats. The reception was hosted at the Argentine ambassador's residence, which is located in the outskirts of Havana.

COMMERCIAL DELEGATION PREPARES FOR CUBAN VISIT

PY311440 Buenos Aires DYN in Spanish 2317 GMT 30 May 83

[Text] Buenos Aires, 30 May (DYN) -- A preparatory meeting of the commercial delegation which will travel to Cuba early in July will be held next Thursday at the Commerce Secretariat, it was officially announced.

This commercial mission to Cuba will take place on 2-9 July, and registrations to participate in this mission will be closed on Friday, 10 June. According to information provided by the Cuban Government, the "areas of interest" for this mission include medicines and pharmaceutical raw material; pumps for liquids, communication and lighting equipment; generators and electricity-generating units; electric motors; and machinery for the food-processing industry.

GOVERNMENT DECORATES YUGOSLAV OFFICIALS

PY010005 Buenos Aires TELAM in Spanish 1510 GMT 31 May 83

[Text] Buenos Aires, 31 May (TELAM) -- Through a decree published in the OFFICIAL GAZETTE today, the Argentine Government awarded the Collar of the Order of the Liberator San Martin to Mika Spiljak, the president of the Socialist Federal Republic of Yugoslavia, and the Grand Cross of the Order of the Liberator San Martin to Lazar Mojsov and to General Nikola Ljubovic, the Yugoslav federal secretary for foreign affairs and the president of the Serbian Socialist Republic respectively.

The official decree indicates that the three foreign personalities deserve the Argentine nation's acknowledgement.

MINISTER VIEWS ELECTIONS, SUBVERSION REPORT

PY010001 Buenos Aires TELAM in Spanish 1805 GMT 31 May 83

[Text] Santiago del Estero, 31 May 83 (TELAM) -- Interior Minister General Llamil Reston stated here today that the call to hold elections on 30 October and to turn over power on 30 January 1984 is an irreversible decision made by the Armed Forces.

During a press conference held prior to returning to Buenos Aires, Reston also said that the military junta's report on the war against subversion is final and definitive.

POLITICIANS, BISHOPS SCORE 'SELF-AMNESTY' LAW

PY271735 Buenos Aires BUENOS AIRES HERALD in English 27 May 83 pp 1, 11

[Text] Politicians and human rights groups yesterday condemned the military junta's alleged plan to pass an amnesty law, stating that only the national Congress is legally entitled to take such a measure.

Former Vice President Vicente Solano Lima opined that an amnesty law must not only be approved by Congress, but it must be based on "an in-depth analysis, or it may drag us into civil war." The draft of the so-called "national pacification law," the reported content of which was released by the NOTICIAS ARGENTINAS (NA) news agency on Wednesday, "will not only fail to calm down a new outbreak of violence but is likely to incite violence, since it frees absolutely everybody from their responsibility (for the excesses committed during the 'dirty war')," Solano Lima said.

In a series of interviews with NA, Radical presidential hopeful Fernando de la Rúa and Intransigent Party leader Oscar Alende agreed that an amnesty law would equal a "law of oblivion" concerning the reported atrocities committed during the repression of leftwing terrorism.

Alende, however, stated that "nobody can declare an amnesty for himself." If such an amnesty is declared, it must be the product of "a democratic consensus reached in Congress," he said, adding one should not forget that "it is the Congress' legitimate right to annul any law that may have been passed by a de-facto regime."

Radical leader Juan Carlos Pugliese pointed out that "an amnesty law usually covers political crimes," while the military are apparently planning to include "ordinary crimes" in the proposed law. This is a big word, Pugliese added, since "many of the crimes committed in this country are not precisely of political nature."

Rather than an amnesty law, "what we need here is to know exactly what took place (during the so-called 'dirty war,') and to know for certain that it will never happen again," the Radical leader concluded.

Nobel Peace Prize-winner Adolfo Perez Esquivel, who was also asked to comment on the proposed law, termed the government's attempted "self-amnesty, an affront of the Constitution and the law."

"What they (the military) are trying to do," he stated, is to "place themselves above the law and to count on total impunity for the crimes committed, when they have not even explained the whereabouts of the missing and of the children who were abducted by security services personnel."

According to the human rights campaigner "this (amnesty law) cannot be accepted by anybody -- neither by the political parties, nor the labour unions nor the churches nor by society as a whole."

In a separate development it was revealed yesterday that the junta will discuss the content of the proposed law with top-ranking authorities in the Catholic Church. Cardinal Juan Carlos Aramburu, the head of the Argentine Conference of Bishops, will be informed about the precise content of the law, reliable sources disclosed.

According to the sources, most members of the Bishops' Conference do not favour the passing of an amnesty law by the military junta and will demand that the measure be taken by the future constitutional government. Monsignor Miguel Hesayne, the bishop of Viedma, stated yesterday that such a law is "inadmissible, unless it is based on truth, justice, freedom and love."

PERONIST SECTORS REJECT ELECTORAL LAW CHANGE

PY311435 Buenos Aires TELAM in Spanish 1025 GMT 31 May 83

[Text] Buenos Aires, 31 May (TELAM) -- The triumvirates of the Federal Capital Branch of the Justicialist Party (PJ) and different groups which make up the Peronist movement have requested the PJ National Council call an urgent meeting of the Multiparty Group to express its total opposition to the project for changing the electoral law because the project aims at distorting the will of the people and goes against genuine democracy.

Last night, Torcuato Fino, Haydee Pardo and Juan Minichilo, in a communique released at the conclusion of a meeting held in the headquarters of the 62 Organizations, said that in view of the fact that the draft for a new electoral law was submitted to the Legislative Advisory Commission (CAL), the triumvirates request the PJ National Council officials call an urgent meeting of the national Multiparty Group to express total opposition to the draft.

The PJ movements which also support this request are the Azul y Blanco Metropolitan Union Bloc; 8 October; 30 March; Independent Political Bloc; and the internal branch supporting Italo Luder.

COMMUNISTS SEEK TO FORM FRONT WITH PERONISTS

PY302231 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0055 GMT 30 May 83

[Excerpt] Rio Negro, 29 May (NA) -- Today Rubens Iscaro, presidential hopeful for the Argentine Communist Party, admitted here that his party has been in contact with the Justicialist Party for the purpose of creating an electoral front or alliance.

Iscaro, who is campaigning in this province, pointed out that "points of agreement are being sought with all sectors and especially with the Justicialist Party." He explained that "in our rapprochement we place emphasis on the struggle for a democratic and popular front" and pointed out that "if that cannot be achieved, the Communist Party will go into the elections alone."

He maintained that "votes should, naturally, be cast for those who have struggled for unity and should be denied those who struggle to disunite the Argentine people."

GOVERNMENT TO ISSUE BONDS ON STATE DEBTS

PY311510 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2035 GMT 27 May 83

[Text] Buenos Aires, 27 May (NA) -- The government has authorized the issuance of a National Bond for the Cancellation of Debts amounting to 150 trillion pesos.

The emission of this bond is for the canceling of loans of the internal financial system that have been granted to provincial governments, municipalities, decentralized organizations and enterprises, societies, and other state organizations that are not included in the system of financial organizations.

The repayment of this bond will be made in yearly installments, with a yearly 0.25 percent interest rate, which will be calculated on the outstanding debt.

CURRENCY DENOMINATIONS CHANGE EFFECTIVE 1 JUN

PY312055 Buenos Aires DYN in Spanish 1130 GMT 31 May 83

[Excerpt] Buenos Aires, 31 May (DYN) -- As of tomorrow, the denominations of Argentine bills -- which had been adopted in 1970 through Law 18188 -- will be converted to new values through multiplication by a factor of 0.0001.

In the process of implementing that measure a bank and foreign exchange market holiday has been declared for today and tomorrow in order to effect the replacement of the bills. The replacement will be carried out gradually through the bank system.

The old bills, which will become obsolete at midnight tonight, will not be stamped with seals to show their new value -- as was done in 1970 -- but will just continue to circulate along with the new bills.

The Central Bank will inform the public when the various denominations are no longer valid as the new bills gradually reach a satisfactory volume of circulation.

The new monetary system consists of coins in four denominations of 1, 5, 10, and 50 cents which will be equivalent to the current bills of 100, 500, 1,000 and 5,000 pesos; and bills worth 1, 5, 10, 50, and 100 pesos which will be equivalent to current bills of 10,000, 50,000, 100,000, 500,000, and 1,000,000 pesos.

The new values are determined by dividing the old values by 10,000, that is, by taking off four zeros. The only old denomination which will not have an equivalent in the new system is the coin worth 50 pesos.

MINISTER SECRETARY OF THE PRESIDENCY RESIGNS

PY311450 La Paz Cadena Panamericana in Spanish 1130 GMT 31 May 83

[Text] The minister secretary general of the presidency, Horacio Torres, has submitted his resignation to the president due to personal reasons. According to a report released yesterday, Horacio Torres has asked President Hernan Siles Suazo to relieve him of his position solely because of personal reasons.

GOVERNMENT DOCUMENT ON COMANAGEMENT REPORTED

PY282039 La Paz Radio Illimani Network in Spanish 1700 GMT 28 May 83

[Text] The government, through a document that was handed to the press during the past few hours, has maintained that the comanagement majority that has been proposed by the productive sector of the state cannot be extended to other state institutions. This document, which was handed to the press by the information minister, contains the following five points: 1. The democratic participation of the workers in the administration of state enterprises is one of the government's fundamental objectives. In this respect, which is already public knowledge, the government has taken several steps that will lead to the implementation of this objective. 2. The government considers that the form of labor participation and representation has varying characteristics and degrees of importance, according to whether it is a question of productive enterprises, services of financial and state control institutions. Consequently, one particular type of participation and representation can in no way be generalized. 3. Worker comanagement, and not self-management, it is the most adequate system of participation in productive state enterprises because it safeguards national and popular interests. 4. For the service enterprises of the state, the most appropriate system is that of labor representation on the boards of directors. This representation would be at various levels in accordance with the roles that these institutions play in the functioning of the state apparatus and in the national economy. 5. Labor participation in the Bolivian Central Bank and in other state financial institutions will not be modified; in other words, it will continue to function under current regulations.

The official document, which was released last night, concludes as follows: This document complements the government's proposal that will lead to labor comanagement in productive enterprises, such as Comibol [Mining Corporation of Bolivia], which is currently occupied by leaders of the Federation of Miners. At the beginning of the week, the government submitted a draft decree to the union leadership specifying the nature of labor comanagement, along with an outline of the future administration of the state oil enterprise [as heard]. The miners' leadership has studied the document and decided to call for consultations with grassroots members in this respect. The consultation will take place within the next few days.

SANTA CRUZ AIRPORT BLOCKADED BY SUGAR PRODUCERS

PY301720 Paris AFP in Spanish 1637 GMT 30 May 83

[Text] La Paz, 30 May (AFP) -- The Santa Cruz international airport, 1,000 kilometers east of La Paz, has been blockaded for the second time by sugar producers demanding higher prices for their product, it was learned in La Paz today. Domestic and international operations were completely suspended due to the blockade. The same airport did not operate for 2 days last week due to a blockade set up to protest an unsatisfactory solution offered to the problems raised by the influential sugarcane producers of Santa Cruz.

PRESIDENTIAL SPOKESMAN ON MOTLEY APPOINTMENT

PY282049 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 May 83 p 6

[Text] -- Brasilia -- Planalto Palace spokesman Carlos Atila stated yesterday that the designation of U.S. Ambassador to Brazil Langhorne Anthony Motley as assistant secretary of state for Latin American affairs will represent a further development in U.S. -Brazilian relations.

According to Atila, Motley "has a profound knowledge of the real Brazilian situation, and the fact that he had been ambassador to our country will only facilitate dialogue between Brazil and the United States. His designation, then, can only be positive."

PRESIDENT'S MESSAGE TO WILLIAMSBURG PARTICIPANTS

PY300333 Rio de Janeiro O GLOBO in Portuguese 28 May 83 p 18

["Text" of message sent by Brazilian President Joao Figueiredo to the chiefs of state participating in the Williamsburg summit]

[Text] I would not be fulfilling my duty to the Brazilian people if I did not address Your Excellency the day before you meet with the chiefs of state of other developed countries in Williamsburg, United States, in order to draw to your attention some of the concerns and hopes which, in view of the serious difficulties created to a great extent by foreign circumstances, the Brazilian people have at present.

The concerns I refer to are related mainly to the instability and precariousness of the international economic system following the numerous crises that have shaken it in just over a decade. For the developing countries, which represent the weakest part of the system, its deficiencies are constantly facing them with new and harder challenges which are sometimes aggravated by the very economic policies of the larger nations.

Brazil, for its part, was seriously affected by the liquidity crisis which started in late 1982, just at the time it was starting to harvest the results of an effort to adjust to the difficulties of the 70's -- an effort without comparison due to the broadness of the programs launched, especially in the energy sector where for the first time a country implemented a large-scale program to substitute biomass for petroleum.

After Brazil in the 70's had made a considerable contribution to the adjustment of the developing economies in order to be able to integrate the international economic sector and to promote foreign financing, it was strongly affected by the restrictions on its access to the markets of the developed world and by the money restrictions imposed by the financial markets to which it had to resort. More than depriving my country of a just reward for its effort, the current international economic crisis today deprives it of the opportunity of being able to carry out the necessary task to respond to its people's desire for development.

When a developing country is under pressure from two sides with the doubling -- in a period of 2 years -- of the interest rates for its foreign debt servicing and, on the other side, by a 30 percent drop in the purchasing power of its exports; and when it realizes that something similar is happening to many other developing countries, there is no way of concealing the urgent need to resume an objective and effective North-South dialogue for the benefit of the two parties.

Mr President, I am convinced that only through a firm political decision will it be possible to restore in the world economy and its commercial and financial mechanisms the conditions for generating a sustained growth without which there will be no durable solution to the problems of the North or the South.

In my opinion actions should be taken in three areas:

-- Short-term measures aimed at allowing the reactivation of the world economy in the North as well as in the South;

-- The readjustment of the internal productive structures in order to adapt them to the new production and commercial guidelines. In the case of developed countries the adjustments should be aimed at modernizing their economic policy and definitely overcoming the reasons which drive them to adopt protectionist measures so that they will not persist to the point of restricting, or even ruining, the effects of the trade expansion which could result from the short-term economic reactivation;

-- Start reviewing, on coordinated bases, the commercial and financial systems because without such a review the limited efforts for a recovery, or the internal readjustment, or those efforts restricted to topical actions in view of specific emergency situations within the sphere of one or the other of these systems would be lost.

As your Excellency knows, my country at present is engaged in a difficult containment program in order to adjust to a liquidity crisis created by foreign factors. My government regards this program as an indispensable effort for readjustment and will carry it out with determination, especially because it considers it the cornerstone for recovery, in the short term, of the dynamic growth without which it would be impossible to overcome the shortages of underdevelopment.

Mr President, Brazil hopes that the developed countries will understand the needs for coordinated actions to overcome the sharp political and social tensions in adjusting to the crisis, and that in the future you will take advantage of all the opportunities to grant all dialogue with developing countries the political impetus capable of setting the bases of a new era of prosperity in the world economy. It is for this reason that I address Your Excellency in order to express to you the interest with which I await the results, which I am sure will be profitable, of the Williamsburg summit.

FOREIGN MINISTER WARNS ON INTERNATIONAL CRISIS

PY280349 Rio de Janeiro O GLOBO in Portuguese 26 May 83 p 7

[Excerpts] The option for confrontation rather than negotiation is driving Central America toward a situation in which it may become the fuse of a wider crisis. This statement was made by Foreign Minister Saraiva Guerreiro yesterday during a lecture to civilian and military students at the Superior War College. The lecture focused on the international crisis and Brazil's diplomatic response.

Guerreiro emphasized that the international crisis is having regional repercussions in various parts of the world where it can be seen that national problems and "insidious forms of foreign presence" overlap. Intransigence regarding negotiating creates deadlocks, increases militarization, and, in consequence, foreign influence.

According to the minister, the great challenge is "breaking up the process of violence," and it is a must to insist on negotiations to break the vicious circle. For this reason, Itamaraty, in the case of Central America, is supporting the efforts of the Contadora Group (Mexico, Panama, Colombia, and Venezuela) which seeks a peaceful solution to the conflict.

Likewise, insistence is the minister's word when it comes to the search for a new international economic order which is the objective of the North-South dialogue. According to Guerreiro, despite all the emphasis being placed on economic discussions, the problem is above all political: "The economy has become an instrument of political action in the hands of states."

Minister Guerreiro refuted those who want Brazil to deepen its relations with developed countries and who consider that the economic system is controlled by them: The essence of the problems now facing our economy stem from the existing global system in general, and from "its most affluent segment in particular."

Dwelling on the causes of the international crisis, Minister Guerreiro said that insecurity prompts the search for fanciful objectives over the short term, such as protectionism in the economic area and intransigence in the political area. He pointed to the structure of international relations as "the deep-lying cause of the crisis."

Guerreiro also mentioned the stumblingblocks which impede dialogue; the belief in the power of weapons, the intimidatory pressures, the predominance of ideological questions in the disputes to the detriment of cooperation among the states, and the disguised intervention through interested support for groups within the states to sway them in the direction of the supporters' aims.

GOVERNMENT TO SUPPLY ARMS TO SURINAME IN JUNE

PY271410 Paris AFP in Spanish 2049 GMT 26 May 83

[Excerpts] Brasilia, 25 May (AFP) -- It was announced today that Brazil will begin to supply arms to Suriname next month for fear of a Cubanization of the government of Paramaribo. General Danilo Venturini, secretary of the National Security Council, told the Senate that it would be disastrous for Brazil if a neighboring country allies with nations that might create problems for Brazil.

Although it is unknown what kind of arms Brazil will supply to the small neighboring country, informed sources stated that it will tentatively be light arms.

NETHERLANDS PRIME MINISTER ARRIVES 30 MAY

PY310124 Brasilia Domestic Service in Portuguese 2200 GMT 30 May 83

[Text] Netherlands Prime Minister Ruud Lubbers arrived in Brasilia today for a 2-day official visit in response to an invitation from the Brazilian Government. The Netherlands prime minister was received at the air base in Brasilia by Foreign Minister Saraiva Guerreiro. After meeting the Itamaraty authorities, Minister Lubbers went to the Alvorada Palace where he will be staying.

Meets With Figueiredo

PY312205 Madrid EFE in Spanish 0340 GMT 31 May 83

[Text] Brasilia, 30 May (EFE) -- Netherlands Prime Minister Ruud Lubbers spent the first day of his official visit in this capital meeting with local officials about the world economic crisis. "The negative effects of the economic crisis create serious political and social destabilization risks, particularly in the Third World," said Brazilian President Joao Figueiredo in a speech delivered at the end of a dinner given in Lubbers' honor.

According to a Brazilian Foreign Ministry spokesman, the meeting between Figueiredo and Lubbers, which lasted almost 2 hours, in Government Palace "concentrated on the world economic situation and the extent of the crisis." Figueiredo said in his speech that the nations of the southern hemisphere were the most hurt by the effects of the crisis and that they contributed the least toward creating this crisis.

The Brazilian president pointed out that the economic crisis is worldwide and that "it will be ineffective and self-defeating for the North not to accept this evidence because the North will end up suffering the worst effects of the destabilization in the South." He added that "it is necessary to eliminate protectionist barriers and to review the financial and commercial system."

This is how President Figueiredo reiterated his recent message to the leaders of the seven large industrialized countries meeting in Williamsburg.

The Foreign Ministry spokesman said that Figueiredo and Lubbers also discussed East-West tensions, Western defense, the installation of missiles in Europe, and the Central American crisis. He added that "there were similar points of view on Central America because the two leaders expressed their support for the peaceful efforts in the search for a political and negotiated solution to the crisis."

The same source indicated that Figueiredo and Lubbers discussed the situation of Suriname -- a country boycotted by the Netherlands -- which signed 10 cooperation agreements with Brazil. According to an official report, these agreements were signed "to facilitate the integration of Suriname into South America." However, diplomatic and military sources admitted that the main objective of the agreements was to prevent the "Cubanization" of Colonel Daysi Bouterse's regime. The Hague's center-right government blockaded politically and economically the former Dutch Guiana after the death of 15 members of Bouterse's moderate opposition last November.

NETHERLANDS ANP JOURNALIST INTERVIEWS FIGUEIREDO

PY311425 Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 May 83 p 9

[Excerpt] In an interview with the journalist of the Netherlands ANP agency, Jos Schverink, in Brasilia, President Joao Figueiredo has said that that he expected the visit of Prime Minister Ruud Lubbers would result "in a better mutual understanding of the opportunities for bilateral exchange, and of the positions of the two countries regarding international questions."

Asked about the visit of General Danilo Venturini to Suriname, Figueiredo replied that "it was a constructive response to Suriname's expressed wishes of more integration with South America, and more contacts with Brazil. As for the possibility of intervention should the situation in Suriname develop contrary to Brazil's wishes, Figueiredo reaffirmed the Brazilian position of nonintervention, but added that "Brazil would watch to avoid any threat to its security, from wherever it comes."

(In Paramaribo, Surinamese Prime Minister Errol Alibux has announced that Joint Staff Chief Ivan Graanoogst could travel to Brazil in the next few hours to continue negotiations on possible military cooperation between the two countries.) As for the possibility of the Netherlands helping Brazil to alleviate its debts to the IMF, Figueiredo told the Netherlands journalist that the way out of the crisis is to be found "through a joint international political effort aiming at a common benefit."

Figueiredo concluded by saying that: "The Low Countries have to that effect adopted positions favorable to the North-South dialogue, positions which may exert an influence on their partners in the developed world, aiming at restructuring the international commercial, financial and monetary system. It is important that developed countries, through their economic policies, do not raise additional obstacles for the developing world."

PRESIDENT SIGNS DECREE-LAW AMENDING SALARY LAW

PY280142 Rio de Janeiro O GLOBO in Portuguese 26 May 83 p 3

[Text] Brasilia -- Yesterday, before boarding a plane for Sao Paulo at Brasilia air base, President Joao Figueiredo signed Decree-Law 2024 whereby the 100 percent salary readjustment based on the INPC [National Consumer Price Index] is extended to salaries as high as seven times the monthly minimum salary, that is, 243,000 cruzeiros.

This decree-law, which will partially supersede Decree-Law 2012, was signed to fulfill the terms of the PDS-PTB [Social Democratic Party-Brazilian Labor Party] agreement to form a congressional coalition. The only amendment which Decree-Law 2024 introduced in Decree-Law 2012 refers to the extension of the 100 percent readjustment based on the INPC to salaries as high as seven times the minimum monthly salary which, under Decree-Law 2012, only applied to salaries as high as three times the monthly minimum salary, that is, 104,000 cruzeiros.

Prior to Decree-Law 2012, the 100-percent salary readjustment based on the INPC benefitted salaries as high as 10 times the monthly minimum salary -- 347,000 cruzeiros -- and a 110-percent INPC-based readjustment applied to salaries under three times the minimum salary -- 104,000 cruzeiros.

The new decree-law reads as follows: Decree-Law 2024 of 25 May 1983. The text of Article 2 of Law 6708 of 30 October 1979 which provides for the automatic readjustment of salaries, modifies the salary policy, and adopts other measures is hereby changed.

The president of the republic, using the power vested in him by Article 55, item II, of the Constitution, decrees: Article 1, Article 2 of Law 6708 of 30 October 1979, modified by Law 6886 of 10 December 1980 and by Decree-Law 2012 of 25 January 1983, will henceforth be written in the following terms, with its paragraphs unchanged:

Article 2. Salary readjustments will be made cumulatively in accordance with the various salary brackets, observing the following rules:

I -- Salaries up to 7 (seven) times the value of the highest [among regional minimum salaries] minimum salary will be adjusted by multiplying them by a factor of 1.0 time the 6-month variation of the INPC (National Consumer Price Index);

II -- For salaries from 7 (seven) to 15 (fifteen) times the minimum salary, the rule contained in I will be applied up to the limit noted in I and the factor 0.8 will be applied above that limit;

III -- For salaries from 15 (fifteen) to 20 (twenty) times the minimum salary, the rules contained in I and II will be applied up to the limits in I and II, and by the factor 0.5 above the limit in II;

IV -- For salaries above 20 (twenty) times the minimum salary, the rules in I, II and III will be applied up to the respective limits, and the factor 0 (zero) above the limit in III.

Paragraph 1. [unchanged]

Paragraph 2. [unchanged]

Article 2. This decree-law goes into effect on the date of its publication, and provisions to the contrary are rescinded.

Brasilia, 25 May 1983, 162nd year of independence and 95th year of the republic.

[Rio de Janeiro JORNAL DO BRASIL in Portuguese on 26 May 1983 on page 17 carries the following information: "In compliance with the Constitution, the decree-law -- which will become effective immediately -- will be submitted to congress which can either approve or repeal it within 60 days after its submission, but cannot amend it. Should no decision be reached within those 60 days plus 10 additional sessions, the decree-law will be automatically passed by virtue of the voting-default mechanism provided to that effect by the Constitution."]

FINANCE MINISTER ON INFLATION, SUBSIDIES

PY010002 Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 May 83 p 17

[Text] Brasilia -- In the opening remarks of a 5-hour-long exposition he gave to the agriculture committee of the Chamber of Deputies yesterday, Finance Minister Ernane Galveas said that "inflation has reached socially intolerable levels and we have to apply a quick and definitive treatment" (to curb it).

"We will speed up the reduction of subsidies granted to credits for the agricultural sector," said Galveas, stressing that this reduction will be "proportionately compensated for by noninflationary incentives such as infrastructure (storage facilities, highways) and technical assistance." Galveas believes that subsidized credit hinders agriculture because, he remarked, "after all, only 25 percent of producers have access to those credits."

Roberto Cardoso Alves, PMDB [Brazilian Democratic Mobilization Party] deputy for Sao Paulo, asked the finance minister how the agricultural sector will manage to cope with heavy taxes and higher agricultural input costs. Galveas answered that he was "trying to make sure that some taxes will be applied" [as published] and that the ICM [Merchandise Distribution Tax] will not be cut given the huge debt of each state.

The minister admitted that the policy of subsidizing (imported) wheat is "wrong" because it encourages consumption, causes wheat imports to grow, and discourages local production. He referred to the contribution paid on coffee and cocoa as "an absurd tax."

With the support of some legislators, Galveas maintained the thesis that agriculture needs credit and not subsidies. Since subsidized credit is limited and only 25 percent of producers have access to it, and since it discourages the private sector's participation in that area, the minister believes that the elimination of subsidies will cause credit supply to rise, although at market rates. "In the next few days we will be seeking to bring solutions to the serious problems confronted by the national economy, particularly the public deficit," the minister concluded.

AMBASSADOR TO ARGENTINA ON FALKLANDS, BEAGLE

PY311840 Paris AFP in Spanish 1440 GMT 31 May 83

[Excerpts] Buenos Aires, 31 May (AFP) -- Onofre Jarpa Reyes, the Chilean ambassador to Argentina, stated emphatically here that the Malvinas Islands belong to Argentina and angrily denied the rumors regarding the concession to Great Britain of a base on Chilean territory.

In this respect he recalled that the 1881 Border Treaty between Argentina and Chile "states that the islands east of Tierra del Fuego belong to Argentina." The Chilean ambassador's statements have had a strong impact on experts specializing in these matters in view of the unresolved controversy over the Beagle Channel between Argentina and Chile.

The Chilean ambassador also denied rumors of the concession of a base that Great Britain needs and which would be used for the air support of the flights to the Malvinas, with a view to reducing the cost of linking the far-off islands in the South Atlantic with Ascension Island, located in the central part of the Atlantic, which belongs to the United States.

The truth is that we have repeatedly clarified this point, we have denied the reports that are circulated every week, but you are again asking me the same question, the diplomat said in answer to a question by a reporter. "It is not true, and it can never be, that Chile will give bases to a foreign country because it is a question of sovereignty," he answered coldly.

We are subject here to a continuous, insidious campaign intended of keeping us apart. Argentines and Chileans have to react and not listen to all those reports, which are absolutely false, he stated.

Regarding the Beagle problem, he stated that the effect that a solution will have, which he foresees in the near future, will be the first link in the chain of Latin American integration and it will also be the basis for accelerating the development of our countries.

SUPREME COURT SUSPENDS BRITON'S EXPULSION ORDER

PY271155 Paris AFP in Spanish 0252 GMT 27 May 83

[Text] Santiago, 26 May (AFP) -- British human rights activist John Barnes succeeded today in getting the Supreme Court of Chile to suspend his expulsion from the country, which had been ordered by the government of General Augusto Pinochet, according to Barnes' lawyers.

Barnes was accused by the Interior Ministry of participating in activities of an evidently political nature, having had contact with opposition organizations and with 34 jailed persons who are completing prison sentences in the town of Pisagua, in the extreme north of Chile.

Barnes remained hidden from police until today when his lawyers presented a petition before the Supreme Court of Chile which was based upon clauses from the Chilean law on foreigners.

The president of the tribunal, Jose Maria Eyzaguirre, approved the petition in principle and ordered the international police to suspend the search for Barnes. The judge also requested the Interior Ministry deliver to the court within the next 48 hours its reasons for ordering the expulsion.

Barnes, 24, arrived in Santiago on April 24 acting as secretary of the British Committee for Human Rights in Chile. In declarations to journalists, he denied having participated in political activities and encouraged the British Government to pressure the Chilean authorities on the matter of the defense of human rights.

LEADERS SAY SOCIALIST PARTY REGROUPING

PY310345 Paris AFP in Spanish 2150 GMT 30 May 83

[Excerpts] Santiago, 30 May (AFP) -- Leaders of various important factions of the banned Chilean Socialist Party [PS] reported that these factions have reaffirmed their Marxist convictions, closed the book on their squabbles, and launched a difficult but certain process toward unity.

Various antagonistic factions, barring only two, have set up the Political Committee for Unity (CPU) [Comite Politico de Unidad] which will act as the highest collegial body outside and inside the country and will prepare a congress which will appoint the new authorities and outline future plans.

One of the two groups left out of this effort is the so-called Chispa Command, which advocates armed rebellion against President Augusto Pinochet's regime, and the other is the faction headed by former Foreign Minister Clodomiro Almeyda, who follows the line of the (pro-Soviet) Communist Party.

The effort toward unity involves the three latest secretaries general of the PS: Raul Ampuero, Aniceto Rodriguez and Carlos Altamirano, along with other outstanding leaders. Now, 9 years after Allende's downfall, the crisis within the PS is beginning to be overcome and efforts are directed toward recovering the traditional leading role of this party in the popular struggle for democracy, party sources told AFP in Santiago.

They added that without a united PS it would be impossible to come up with the proposal which most Chilean people are waiting for to overcome the severe economic, political, social, and cultural crisis which the country is currently experiencing.

The unity-seeking factions reaffirmed that Chile's Marxist socialist is autonomous, revolutionary, and humanist; that it has Latin American characteristics; that it does not belong to any of the existing socialist internationals; and that it opposes the hegemonic pretensions of parties or nations.

GOLD RESERVES TO SERVE AS LOAN GUARANTEE

PY311515 Paris AFP in Spanish 1825 GMT 29 May 83

[Excerpts] Santiago, 28 May (AFP) -- Finance Minister Carlos Caceres reported in Santiago today that Chile will have to mortgage a part of its gold reserves as a guarantee for the repayment of the additional \$1.3-billion loan that has been requested from international banks.

Specialists stated that this practice is unusual in financial relations between nations. However, Minister Caceres, who did not specify the amount of gold reserves to be mortgaged, stated that the measure should not be interpreted as a sign of distrust toward Chile.

Caceres explained that this type of guarantee is proper for nations that are requesting aid during a period that might be rated as an emergency.

Minister Caceres said that the mortgage might be eventually cancelled because international banks believe that the Chilean economy has been substantially improving. Caceres added that gold reserves, as any other kind of reserves, should serve to counteract difficult situations.

The finance minister ended a tour of the United States and Japan today. The purpose of his trip was to report on the plans implemented by President Augusto Pinochet's government to renegotiate Chile's foreign debt. Chile's foreign debt, which exceeds \$18 billion, is among the three highest per capita debts in the world.

Minister Caceres termed as positive his talks with U.S. and Japanese officials and businessmen and with IMF representatives. He added that the negotiations begun with the World Bank and the IDB for additional loans for public works totaling \$128 million and \$250 million were favorable.

DEATH PENALTY ESTABLISHED FOR KIDNAPPING

PY310222 Paris AFP in Spanish 1604 GMT 29 May 83

[Text] Santiago, 29 May (AFP) -- Chile has modified its penal code and, as of today, has established the death penalty for kidnappers who demand the payment of ransom or seek to impose their demands, or in those cases in which the victims are under the age of 10 and have been subject to outrages, dishonorable treatment, injuries, or damages.

Kidnappers who cause the death of children or youngsters up to the age of 18 or who subject them to violations, mutilations, or serious injuries will also be sentenced to death. The same sentence will be ordered for those persons who kidnap children or adults with the purpose of disrupting the constitutional order or public security and who intend to impose their demands, intimidate the people, or compel the authorities to adopt decisions.

In the past the death penalty (execution) was restricted to certain patricidal crimes or homicides committed during robberies. The new regulations came into force with their publication in the OFFICIAL GAZETTE of the laws and regulations of the nation.

SPAIN'S GONZALEZ VIEWS U.S. WESTERN LEADERSHIP

PA312319 Paris AFP in Spanish 2242 GMT 31 May 83

[Excerpt] Bogota, 31 May (AFP) -- In Bogota today Spanish Prime Minister Felipe Gonzalez invited the United States to change its negative leadership into a positive one in order to authenticate the power that it has in the world.

"I want to cordially tell the United States that it is objectively the leader of the Western world, but that it has to understand that this leadership, which is negative, must be transformed into a positive one," said Gonzalez.

"Otherwise it will lose the peoples. If it loses them, it will be able to retain its power but not the authenticity of this power, which is the warmth, understanding, and solidarity of each nation," he added. Gonzalez made this remark during a ceremony held in the Yellow Room of Narino Palace, the government house of President Belisario Betancur's administration.

CUBA'S MALMIERCA ON ADVISERS IN NICARAGUA

PA010040 Hamburg DPA in Spanish 0008 GMT 1 Jun 83

[Text] Cartagena, Colombia, 31 May (DPA) -- Cuban Foreign Minister Isidoro Malmierca said today in Cartagena that his country might be willing to reconsider the presence of its advisers in Nicaragua, "if the United States withdraws its own from El Salvador and Honduras."

Malmierca is leading the Cuban delegation at the event to commemorate the 450th founding anniversary of Cartagena. He admitted that Cuba has advisers in Nicaragua, "but they have no military objectives;" instead, they are teachers and doctors "who offer their cooperation to that country."

Malmierca said that his presence in Colombia, in addition to that of Cuban Vice President Carlos Rafael Rodriguez some days ago in Bogota, "clearly reflects positive signs that Colombia and Cuba might renew their relations in the near future."

Cuba and Colombia broke diplomatic ties in March 1981 after the government of former President Julio Cesar Turbay Ayala reported that Colombian guerrillas had received training on that Caribbean island.

MONETARY OFFICIAL ON FOREIGN DEBT REFINANCING

PA281650 Buenos Aires LATIN in Spanish 1548 GMT 27 May 83

[Text] Quito, 27 May (LATIN-REUTER) -- Monetary Board President Jose Antonio Correa has reported that Ecuador has concluded talks with creditor banks to refinance \$2,558 million of its public foreign debt and \$6,131 million of its private foreign debt. Correa indicated at a news conference that the debt has been refinanced over a 7-year term with a 2-year grace period at an interest rate of 2 and 1/4th percent over the LIBOR rate [London Interbank Offered Rate] or 2 and 1/8th percent over the prime rate, at the creditor bank's option.

He said that the agreement was achieved in talks that ended in New York on Monday. Correa, who was director of the executive branch's advisory institution led the Ecuadorean mission in the negotiations, said that though the final contracts are still being studied by both sides' lawyers, "they are already in operation."

The creditor banks granted Ecuador a new line of credit of \$431 million over a 6-year term, with a grace period up to January 1985, he said. He added that Ecuador believes that a \$171 million standby loan negotiated with the IMF is about to be approved by that institution.

POPULAR DEMOCRACY CHOOSES PRESIDENTIAL CANDIDATE

PA291517 Quito Voz de los Andes in Spanish 1230 GMT 29 May 83

[Text] Last night the third congress of the Popular Democracy Party [DP] proclaimed legislator Julio Cesar Trujillo as the party's presidential candidate for the 29 January 1984 elections. Trujillo is a member of the DP, the governing party. Some 1,000 delegates from all of the country's provinces cheered Trujillo. The proclamation took place in a parking lot at the Legislative Palace amid a constant drizzle.

EXPLOSIVES DAMAGE THREE MINISTRY BUILDINGS

PA271409 Paris AFP in Spanish 1754 GMT 26 May 83

[Excerpt] Quito, 26 May (AFP) -- Three ministries were seriously damaged by explosives thrown from a moving vehicle early today. Spokesman for the ministries have assured AFP that no casualties resulted. The incident revives the bomb psychosis that has been affecting Ecuadoreans for the last 7 weeks or so.

According to official information provided by the police and officials at the affected ministries, today, Thursday, between 0700 and 0800 GMT three unidentified individuals in a jeep threw explosives of various types at the ministries. According to the police, dynamite was used in one case and homemade bombs in the other two.

The first ministry attacked was the Foreign Relations Ministry. Its lower front portion was seriously damaged, particularly the library and the archives area, which are made mostly of glass. Next came the Health Ministry, where a bomb exploded in the garage, damaging the minister's official vehicle and his private elevator in addition to the windows in the State Secretariat and neighboring buildings. The third attack was on the Social Welfare Ministry. This was the least affected, with only a few windows broken in the front of the building.

FOREIGN MINISTER DEPARTS FOR COLOMBIA 27 MAY

PY282105 Asuncion ABC COLOR in Spanish 28 May 83 p 11

[Text] Foreign Minister Alberto Nogues traveled yesterday to Colombia in order to participate in the talks with other Latin American colleagues that will take place within the framework of the celebrations marking the 450th anniversary of the founding of Cartagena. Thus, Foreign Minister Nogues has accepted an invitation from the Colombian Government. The meeting will be held from 30 May to 12 June in the city of Cartagena.

SOUTH AFRICAN NAVY CHIEF ARRIVES 26 MAY

PY271250 Asuncion HOY in Spanish 27 May 83 p 7

[Text] South African Navy Chief Andres Petrus Putter is in Paraguay for an official visit. Putter arrived at the international airport yesterday and was met by the highest-ranking Navy authorities. Admiral Putter will meet with national authorities from various sectors, particularly with military authorities. Adm Putter's presence in Paraguay is undoubtedly another sign of the excellent relations between Paraguay and South Africa.

CONGRESSMEN DEPART FOR SOUTH AFRICAN VISIT

PY312247 Asuncion ABC COLOR in Spanish 31 May 83 p 16

[Excerpt] A delegation of Paraguayan congressmen who will attend several ceremonies in South Africa left for that nation yesterday. The delegation is made up of Senators Persio da Silva (Colorado Party), Ramon Enrique Reverchon (Colorado Party), Enzo A. Doldan (Radical Liberal Party), and the Deputies Americo Velazquez (Colorado Party), Jose Antonio Moreno Rufinelli and Carlos Ferreira Ibarra (Liberal Party).

The Paraguayan legislators were invited by their South African colleagues, and they will attend a series of activities in the South African capital. Among other activities, they are scheduled to attend a special session of the South African Congress and also visit the naval base in Simonstown.

BRIEFS

NEW SPANISH, JAPANESE AMBASSADORS -- In the course of a special ceremony held this morning at Government House, President General Alfredo Stroessner received the credentials of Spain's new ambassador to Paraguay, Vicente Fernandez Trellez. [Excerpt] [Asuncion ULTIMA HORA in Spanish 23 May 83 p 8 PY] The Japanese Embassy in Asuncion has announced the appointment of Tatsuo Yamaguchi as new Japanese ambassador to Paraguay to replace Tadashi Ohtaka who ends his tour shortly. [Summary] [Asuncion ULTIMA HORA in Spanish 24 May 83 p 8 PY]

FIRST QUARTER FISCAL SHORTFALL -- The balance sheet for internal revenues against government expenditures showed a 3,634,200,000 guarani deficit for the first quarter according to Finance Ministry statistics published in the Central Bank's monthly bulletin. For last year's first quarter the shortfall between internal revenues and government expenditures only totaled 829.7 million guaranies. The yawning gap widened by a staggering 338 percent over the same period for this year in comparable terms. [Excerpts] [Asuncion HOY in Spanish 21 May 83 p 8 PY]

ARMED FORCES RESPONSIBLE FOR FIGHTING TERRORISM

PY311605 Madrid EFE in Spanish 1736 GMT 30 May 83

[Excerpts] Lima, 30 May (EFE) -- In July the Peruvian Armed Forces will assume full responsibility for fighting terrorism, and the adoption of the death penalty for terrorism is being studied, according to Interior Minister Luis Percovich.

Minister Percovich announced that existing police posts will be reinforced in Ayacucho, which is the stronghold of the Maoist guerrilla group Shining Path, and the Special Antisubversive Corps -- SINCHIS -- will be replaced by the Armed Forces, which will assume control in that zone.

Percovich, however, recognized that the elimination of the terrorists will not be easy nor will it be done quickly, adding that it would be untrue to say that nothing is happening and that things are under control.

The minister stressed that the fight against the Shining Path will not be short, but it will have to be carried out with resolve and firmness.

Percovich also said that the intelligence services will be provided with the means to prevent terrorist acts. These services have been criticized by the opposition, which recently referred to them as ineffective.

On the other hand, the government has decided to harden its stand against terrorism and has asked the political parties to support a bill being prepared to that effect. The bill will soon be submitted to Congress for its approval. The bill will be debated during the next legislative session beginning in July, since the current session will end tomorrow, 31 May.

PRESIDENT INTERVIEWED ON TERRORISM AS TREASON

PY312232 Lima Domestic Service in Spanish 1100 GMT 31 May 83

[Exclusive interview granted by President Fernando Belaunde Terry to (Rosana Canedo) in the Golden Room of Government House on 27 May -- recorded]

[Excerpts] [Question] Mr President, [words indistinct] the terrorist actions. How do you view this problem?

[Answer] I think it is a very serious problem. I continue to believe that the problem is being promoted and financed from abroad.

I will refer to something I am very concerned about. This week we experienced serious and worrisome problems. While some bridges such as the (Japan) bridge in Piura, which is of vital importance for the transportation of fuel supplies, collapsed due to weather conditions, criminal and treacherous hands blew up a bridge along the central railroad. I would like the people to assess this crime. It took us 70 days to repair the central railroad and resume mineral shipments from the [zinc] plant to the port of El Callao. No profits were made during those 70 days. This is why we submitted a draft bill to Congress categorizing as treason against the homeland any attack against public property or vital services.

Under this law, defendants will not be tried for terrorist actions, but for treason against the country. Although this is already established in some laws, we submitted a draft bill to Congress because we wanted to single out this crime in order to avoid misunderstandings.

The entire country must react to these treacherous actions carried out by mercenaries. Although some of these mercenaries pursuing wrongful objectives may have been born in Peru, the actions are financed by foreign agents. Only God knows what the tragic purposes of these actions are.

For this reason, I call on the people to unite to prevent treacherous actions in Peru.

INTERIOR MINISTER DENIES CIVIL GUARDS PUNISHED

PY312235 Lima Domestic Service in Spanish 1100 GMT 31 May 83

[Text] Interior Minister Luis Percovich Roca termed totally inaccurate press reports to the effect that some of the Civil Guards who participated in the 25 May strike held by the 42d Precinct Station have been punished.

Percovich Roca categorically stated that the reports are aimed at creating unrest among police forces because no administrative sanction has been imposed against any Civil Guard.

HAVANA CITES PAPER ON SPECIAL POLICE CORPS

PA311958 Havana International Service in Quechua 2200 GMT 28 May 83

[Text] The Lima newspaper LA REPUBLICA has accused the ruling party of President Belaunde Terry of trying to form a specialized corps which might become a political-military force in the future.

Belaunde Terry had announced that a modern police corps was being formed and its members would be sent to those areas infested by the Shining Path group. However, there is the belief that this corps would be repressive.

BRIEFS

OIL PRODUCTION DECLINE -- Juan Casabonne, executive president of Petroperu [Peruvian State Petroleum Agency] reported during the Latin American Petroleum Industry Mutual Aid Association (ARPEL) meeting in Asuncion, Paraguay, that the national oil output has declined by 45,000 barrels per day since last year. Casabonne indicated that last year the average daily production was 195,164 barrels while this year the output is averaging 150,000 barrels per day. He added that natural disasters have hampered the oil industry and caused damages of \$100 million. Casabonne said, however, that the average daily consumption of 128,566 barrels is being amply covered by the daily output. [Summary] [Lima EL COMERCIO in Spanish 7 May 83 p A 11 PY]

WORLD BANK LOAN -- The Compania de Minas Buenaventura Inc, a Peruvian mining company which produces silver, has received a \$4-million loan from the International Finance Corporation, a branch of the World Bank. The company also received \$8 million from commercial banks. These funds will go to finance an expansion and modernization project costing \$22 million. With this project, the company will increase its ore-processing capacity from 1,330 to 1,900 tons per day. [Summary] [Lima EL COMERCIO in Spanish 9 May 83 p A 12 PY]

HERRERA CAMPINS ON C.A. ISSUE, CONTADORA EFFORTS

PA311732 Caracas Domestic Service in Spanish 2300 GMT 30 May 83

[News conference by Venezuelan President Luis Herrera Campins, place not given; questioner not identified -- live]

[Excerpts] [Question] [Words indistinct] the joint Mexican-French declaration granting political recognition to the FMLN. Now that El Salvador has a government, elected in the most supervised and manipulated elections in Latin American history, your government (?and Mexico have announced) that you share points of concurrence regarding the problems of Central America [words indistinct] within the Contadora Group. Who has changed, you (?or Mexico)?

[Herrera] The truth is that the French-Mexican agreement, which my government criticized, has not gone beyond words. Its declarations never reached the point they might have eventually been expected to reach. It at least gave the impression that the guerrilla groups' state of belligerence might be recognized at any given moment.

Our stand remains exactly the same. We have said that we favor democracy in El Salvador. We don't want Central America to become a [word indistinct] for East-West confrontations. We favor detente in the area in order to avert any international confrontations. To achieve peace there, we advocate two fundamental things: First social and economic reform that will permit the popular sectors greater access to the land as well as to production and consumption goods in general. This is why, among other things, we endorsed the agrarian reform program initiated in El Salvador by our distinguished friend, President Jose Napoleon Duarte. Second, we advocate democratization. I have truly promoted that process.

There has been no serious effort -- multilateral or bilateral, known or unknown, private or public, discrete or open -- in which Venezuela has not participated in search of peace in the area. This is the reason for our joint participation with other countries -- twice sharing overall points of concurrence with Mexico -- in the two major initiatives that have been launched in the area. Unfortunately, these initiatives did not materialize for reasons of international politics.

Then came the Contadora Group. Why did the Contadora Group emerge? Because of the desire to have the various governments hold high-level talks -- at least at the Foreign Ministry level -- so they could air their differences; and even (?give their own explanations). There would thus be some kind of drainage [words indistinct].

(?During my administration) -- which is what I can talk about -- Venezuela has endorsed every initiative to sponsor either a summit or foreign ministers meetings. Unfortunately, these initiatives never succeeded. Finally, the idea was advanced that the five Central American foreign ministers should meet. Witnesses of exception [testigos de excepcion] for the occasion would be Mexico, Venezuela, Colombia and Panama. It was felt that this meeting had a chance. At first, this initiative did not meet with a sympathetic, or rather, an understanding attitude of the United States. I had the opportunity to talk to several distinguished U.S. Government officials concerning this idea and its positive aspects. One of the last persons to whom I talked, a very influential person, was Mrs Kirkpatrick, the U.S. ambassador to the United Nations.

I told her that we were planning to hold this meeting [words indistinct]. She in turn asked me: Mr President, how do you think that we can cooperate? What can I do? I told her: Well, [words indistinct] you are very influential with the U.S. President. The only thing I will ask of you is to tell him not to hamper us, not to set up obstacles, not to create hindrances in the path of this meeting because this is a good initiative.

In principle, this has already been achieved. Despite the many obstacles which it has encountered, due to the fact that it is developing in a fundamentally political arena, the Contadora meeting has undoubtedly made some advances.

As I said earlier, I think that it is unfortunate that Contadora's political initiative could not have coincided in time with Nassau's economic initiative, in which Mexico and Venezuela were acting with the other Latin American countries. The Mexican and Venezuelan presence, good offices and good will in connection with the Central American region is a natural development.

In El Salvador's specific case, we await elections in November and we are very closely watching the political process in that country. I know that (?predictions) are practically impossible to make, but merely as a political analyst I would like to say that we are very closely following the process that is apparently taking place within the ranks of the Salvadoran subversives. It seems that the idea that some understanding can be reached, that there is a chance to achieve peace, is gradually gaining ground, even if not all the ground is suitable, due or desirable. According to the information obtained from usually reliable sources, the deaths of Commander [Ana Maria] and Commander Carpio had a lot to do with the view that peace can be achieved which they apparently favored.

CAMPINS ON RADIO BROADCASTING, FOREIGN DEBT

PA262353 Caracas Domestic Service in Spanish 0128 GMT 26 May 83

[Speech by Venezuelan President Luis Herrera Campins opening the 34th general assembly of the Venezuelan Chamber of the Radio Broadcasting Industry in Caracas -- live]

[Excerpts] I want to say a few words about radio broadcasting at this time. First of all, radio broadcasting has experienced great growth in Venezuela. Since 1926 when radio activities began in the country, there has been a great increase in the number of stations. They have come out of the capital and the big cities to reach the provinces. In the towns the people show increasing desire, interest and aspirations in having their own station. For the towns, the stations are the spokesmen of their interests, worries, concerns and dreams. In this regard, we have been acting with a lot of discretion in the granting of permits, taking into account the requests filed at the Transport and Communications Ministry.

From the moment that I took office, I said that I would make a great effort to increase the power of the stations located in Venezuela's border states because, for reasons that you know better than I, we receive the influence of other national communities through very powerful stations that on occasion, especially at night, prevent the transmission of our own stations. This is an offer that still stands.

It has not been utilized or requested by all the stations along our extensive borders, especially our land borders. In an effort to assert Venezuela's presence with its message of a live, active and belligerent democracy in this international year of communications, and in this bicentennial year of the liberator, we will put into operation the powerful station, Voz de Venezuela, in Paraguana so that it will transmit to the north, south, east and west of our land the firm democratic and optimistic voice that has always characterized Venezuela.

I must tell the radio broadcasting friends present here that the government is seriously studying -- and I hope the decision will be made in a few weeks -- the matter related to frequency modulation so that this unquestionable technological advance can turn this aspiration into a Venezuelan reality within the context of distribution, democratization, regionalization and the struggle to prevent monopolies and oligopolies that might distort the existence of the social communications media.

At this time we have economic problems that are common to all the world's nations, particularly with regard to the developing world's foreign debt. We are perfectly aware of the responsibility that we have to ourselves, other fraternal peoples of the hemisphere, the developing world and the industrialized countries that are our creditors. In previous years when money was abundant and available at low interest rates, those creditors turned us into debtors, many times breaking the will of the peoples. International circumstances have emerged which have changed the situation. Very compulsory collections have come. Economic sanctions have appeared on the international scene that we thought had disappeared from the world's contemporary history. There has been an increase in interest rates. These problems worry all nations, especially the Latin American nations whose joint foreign debt amounts to half of the Third World's debt.

In order to face up to this problem, we Venezuelans have to seek the best lines of agreement and understanding. I request this even though experience shows that the electoral period leads to the increase of passions and accusations back and forth. However, in these circumstances of 1983 and during these historic weeks, we have to make an effort to understand each other; to come together; to use our intelligence, will and effort in an attempt to achieve formulas that will permit us to confront the payment of the debt without having to submit to conditions that are unacceptable to our dignity as a people, conditions that truly go against the sovereignty and independence that our countries should have. I daresay that the resolution of the same problem in many other developing countries will depend a great deal on the results that Venezuela achieves in its negotiations. We must be perfectly aware of this.

HAVANA REPORTS REACTION TO ENDERS RESIGNATION

PA311444 Havana International Service in Spanish 1600 GMT 30 May 83

[Text] Prominent Venezuelan politicians have commented that the dismissal of Thomas Enders, assistant secretary of state for inter-American affairs, is a victory for those in the White House who are determined to increase interventionism in Central America.

Pompeyo Marquez, secretary general of the Movement Toward Socialism Party, and Demetrio (Worsener), international affairs expert, pointed out that the establishment of a military base in Honduras is proof of the increase of intervention. The United States will train 2,500 Salvadoran soldiers on that base. They also pointed out that the United States will invest \$8 million in the December elections in El Salvador, a fact that clearly represents an open act of political interference. (Worsener) stressed that the U.S. policy is rapidly moving toward the Vietnamization of Central America.

Similar views have been expressed by Enrique Tejera, director of international affairs of the Democratic Action Party, who stressed that the Salvadoran conflict has no other solution but direct negotiations between the regime and the guerrilla opposition.

President Ronald Reagan's decision to replace Ambassador to El Salvador Deane Hinton has also been interpreted as the hardening of U.S. policy towards Central America, particularly El Salvador.

NETHERLANDS' LUBBERS SUPPORTS C.A. PEACE EFFORTS

PA271855 Paris AFP in Spanish 2201 GMT 25 May 83

[Excerpts] Caracas, 25 May (AFP) -- Through Prime Minister Ruud Lubbers speaking in Caracas today, the Netherlands asked Cuba and the United States to stop considering Central America an area within their influence. Lubbers held a press conference in Caracas on Wednesday to climax his official 2-day visit to Venezuela, where he met President Luis Herrera Campins, Foreign Minister Jose Alberto Zambrano and other ministers.

Lubbers reiterated his country's and the European community's support for the pacification efforts for Central America that are currently being carried out by the so-called Contadora Group made up of Colombia, Mexico, Panama and Venezuela. Lubbers added that "we have pointed out to our colleagues in Washington how inconvenient for peace the East-West confrontation in Central America is. For this reason, we reiterate our wish that Cuba and other Communist powers, as well as the United States, cease considering that region a zone within their influence."

Regarding the situation of the former Netherlands colony of Suriname, Lubbers said that "Suriname is an independent nation and the Netherlands must respect the situation, but we suspended our cooperation 5 months ago as the result of the violation of human rights in that nation." The Netherlands prime minister's statement clearly established that the independence of the Netherland Antilles, which is located off Venezuela's western coast, is still being studied.

According to Lubber's statements in Caracas, it seems very unlikely that Curacao, Aruba, Bonaire, St Eustatius, Saba and the corresponding part of St Martin, all located in the Caribbean, will become independent before the 21st century, in accordance with the current plans of the Netherlands Government.

PLOT AGAINST U.S.-MEXICAN MEETING UNCOVERED

PA280130 Paris AFP in Spanish 0031 GMT 28 May 83

[Text] Mexico City, 27 May (AFP) -- A terrorist plot to attack the interparliamentary meeting that Mexican and U.S. legislators will hold in the Mexican city of Puebla in the beginning of June was thwarted today, the Interpol section in Mexico City revealed to AFP. The plot was discovered after a joint operation by the Mexican judicial police and Interpol. As a result of the operation, two Puerto Rican guerrillas were killed, another was wounded, and three others succeeded in escaping.

More on Plot

PA280226 Paris AFP in Spanish 0131 GMT 28 May 83

[Excerpt] Mexico City, 27 May (AFP) -- According to the Interpol report, the objective of the group that was smashed was to blow up the site of the interparliamentary meeting. The first Interpol raid was carried out against a "safe house" located in the center of Puebla (130 km from Mexico City). Puerto Rican Guillermo "William" Morales was killed in that raid. He had been wanted by the FBI for the last 8 years. In the "safe house" the police seized a large quantity of propaganda and weapons, principally M-55 light machineguns and M-16 rifles.

A second clash before dawn today between the judicial police and members of the group in the town of Cholula resulted in the death of Adelaido Villafranco Contreras. A woman whose name has not been revealed was wounded. Three other activists managed to escape. According to police information, two policemen were wounded in the second clash and a large quantity of arms, propaganda, and dynamite seized.

ANTI-U.S. POLICY MARCH, RALLY HELD IN CAPITAL

FL271048 Mexico City NOTIMEX in Spanish 0248 GMT 27 May 83

[Text] Mexico City, 26 May (NOTIMEX) -- Some 5,000 demonstrators, dissidents, and members of the PRI repudiated U.S. policy in Central America and expressed support for the people of El Salvador. The march began this afternoon on the main avenue of the capital, Paseo de la Reforma, and later the marchers held a rally in front of the Juarez Memorial, 1 kilometer west of Constitution Plaza. A contingent from the ruling PRI party joined the march, which became part of the public demonstrations repudiating White House policy in Central America. Distinguished among the members of the PRI contingent were Carlos Tello, former director of the Bank of Mexico, and Deputy Jose Carreno Carlon. Contingents from the Unified Socialist Party of Mexico, which represents the main branches of the Mexican left, also marched.

The marchers shouted slogans in favor of the self determination of the Central American peoples and, during the rally, in support of the efforts of the Contadora Group. The march was joined by 500 U.S. citizens and members of the Trade Union of the National Autonomous University of Mexico. Representatives of the organizations taking part in the march branded Ronald Reagan's policy in the Central American conflict as interventionist.

PRESIDENT DE LA MADRID OUTLINES DEVELOPMENT PLAN

FL312030 Mexico City NOTIMEX in Spanish 0121 GMT 31 May 83

[Text] Mexico, 30 May (NOTIMEX) -- President Miguel de la Madrid today stated that the main objective of the National Development Plan is to maintain and strengthen national independence and to guarantee individual and collective freedoms within the framework of democracy and social justice. At a ceremony held to announce the plan for the 1983-1988 period, the president said that to achieve this objective it will be necessary to strengthen the national economy on the domestic front by again securing a steady growth rate, which would be instrumental in creating the jobs needed to allow the people to have a decent standard of living. It is also designed to improve the standard of living of society, the president said, through a better distribution of income among families and regions and through a steady improvement of the democratic system.

The president emphasized the comprehensive process of social participation which has allowed society to express the aspirations and opinions which helped shape the plan's development strategy. Stemming from this main objective, the president said, are four more objectives that my government seeks to achieve during my constitutional tenure: to preserve and to strengthen democratic institutions, to overcome the crisis, to rebuild our growth capacity, and to initiate the qualitative changes required by the country's economic and socioeconomic structures. The president also expressed his recognition to the state governments, which helped conduct popular consultations through their respective organizations.

Content of the Plan

In the preamble of the plan, it is stated that the administration is determined to firmly and responsibly cope with the internal crisis without postponing solutions or shunning problems; not to go back to the situation prevailing before the crisis, but to overcome it in keeping with the mandate received in the 4 July 1982 election.

Regarding the Mexican Government's policy, it is stated that man is the top priority of the national plan. The plan consists of documents to which programs of the federal administration will be subordinated, and stated that it is the state's main concern to promote full freedom of expression through the mass communications media and to build a free, informed, and democratic society. It is also stated that the strength of our social pact, our integrated development, the principles of and the course taken by our foreign policy and our resolve to remain independent are the best guarantees for our national security.

Foreign Policy

Describing the Mexican foreign policy as an essential tool for achieving national development, the plan stated that foreign policy is designed to preserve national sovereignty and to strengthen political and economic independence by maintaining useful ties with the community of nations, to defend world peace and to practice solidarity among nations, and to help build an international order that would promote coexistence among all peoples within a framework of freedom, equality and justice.

After stating that the country's main resources are its population of 75 million people, 70 percent of whom are under 30, the plan outlined the need to correct structural problems affecting the economy. Major problems were primarily observed in the following four areas: imbalances in the production and distribution system, inadequate domestic savings, shortage of foreign currency, and unequal distribution of the benefits of development.

Strategy

Outlining the need to introduce qualitative changes into the production and distribution system, the plan set forth a socioeconomic strategy which is centered on two basic stages: economic reorganization and structural changes. The economic reorganization stage, the document stated, is designed to coordinate the battle against inflation, fluctuating monetary exchange rates, and recession through actions that will lay the groundwork for qualitative changes through structural changes. The stage concerning structural changes, the document stated, is designed to overcome the basic shortcomings and imbalances observed in the economic structure.

Economic reorganization, the first stage of this strategy, is designed to achieve three goals: to knock down inflation and to end fluctuations in monetary exchange rates, to preserve jobs, production and basic consumer goods, and to rebuild the capacity to grow on new bases. Structural changes, the second stage, is based on six general guidelines: to emphasize the social aspects and the redistribution of economic growth; to redesign and modernize the production and distribution systems; to decentralize productive activities, trade and social benefits; to adjust financing resources to development priorities; to preserve, mobilize and project national development potential; and to strengthen the state's leadership, give new impetus to the social sector, and stimulate the private sector.

After terming the battle against inflation as fundamental, the national plan stressed: If we fail in the battle against inflation, the efforts to make changes in the economic structure -- regardless of how good the distributive aspects of growth and quality may be -- cannot continue and social progress will only be temporary.

With the plan in force, a moderate recovery of the domestic economic activity with declining rates of inflation will be possible. Along with the recovery of some sectors linked to foreign trade, some branches of production will increase their capacity. Thus, the social and private sectors' investments will gradually return to positive rates of growth and in the 1985-1988 period [investments] could reach rates of between 8 and 10 percent, with similar behavior for government and private investment. Non-petroleum exports will be the component with the more dynamic and stable demand in that period, the document stated.

Therefore, it added, in 1983 production will drop by some 2 to 4 points in somewhat erratic behavior, with some sectors growing at a positive rate -- mainly those linked to foreign trade -- and others declining. Subsequently, in 1984 there will be a quick recovery in economic activity of between zero and 2.5 percent while during the 1985-1988 period growth will reach rates of between 5 and 6 percent. Once the period of adjustment -- the battle against inflation and the reorganization of the production and distribution apparatus -- is over, beginning in 1985 it will be possible to reach an annual rate of between 3.5 and 4 [percent] in the creation of jobs as well as an increase in the real wages, which would advance along with increases in production.

Cabinet Secretaries on Plan

FL302215 Mexico City NOTIMEX in Spanish 2030 GMT 30 May 83

[Text] The National Development Plan announced by the government here today will be aimed at strengthening domestic conservation, more efficiently prioritizing the nation's resources, and reorganizing the country's financial relations abroad. The plan covers two basic objectives: reorganization of the economic policy of the sectors -- aimed at establishing qualitative changes -- and the decentralization of the country's economic life.

During the ceremony held to present the National Development Plan, Finance Secretary Jesus Silva Herzog said that the financial system would be restructured according to the nation's vital interests. He said that abroad the plan would seek to maintain a kind of realistic exchange which would increase export capacity and avoid abuse of foreign credit resources due to the low availability of existing international funds and the need to reduce dependence on foreign financing. Silva Herzog stressed that the measures would be accompanied by a financial reactivation of parastate enterprises, and assured the meeting that the restoration of financial health in public enterprises would provide an efficient instrument for social development.

Secretary of Programing and Budget Carlos Salinas de Gortari said the plan articulates the requirements of a democratic government, gives strength to national efforts, and responds to Mexico's current needs. Salinas de Gortari stressed the plan strives to preserve the nation's integrity, sovereignty, democracy, and freedom in order to improve democracy, serve the majority, promote equality, fortify the institutions, and strengthen public morality.

Interior Secretary Manuel Bartlett Diaz agreed with Salinas de Gortari on the political and social significance of the plan and said it heralds considerable economic growth.

Francisco Labastida Ochoa, secretary of energy, mines and parastate industry, said the parastate industrial sector would make its contribution to economic and social development within the next few years and would help strengthen economic independence and improve state leadership. Labastida Ochoa said the energy sector would continue to provide the country with self-sufficiency in energy and the largest amount of foreign exchange possible. He said it would continue the struggle to integrate the parastate sector's productive structure even further with the rest of the national economy.

The development plan covers the decentralization and strengthening of the various resources of the country's economy, such as agrarian reform, fishing, mining, tourism, transportation, education, food, housing, and ecology, and provides support to the states and municipalities of the country.

Sepulveda Amor Comments

FL310210 Mexico City NOTIMEX in Spanish 2040 GMT 30 May 83

[Text] Mexico City, 30 May (NOTIMEX) -- Without changing course, Mexico will continue to conduct an independent and strong foreign policy because it is inseparable from its domestic policy, Foreign Secretary Bernardo Sepulveda Amor stated. He said that in the relations that Mexico has with the United States there are two separate truths: the need for coexistence, and the fact that the various bilateral problems can only be resolved through dialogue and cooperation. The Mexican foreign secretary reiterated the principles of Mexico's foreign policy, which reject the use of force to resolve international problems as well as the hegemony of the superpowers. The foreign secretary addressed the meeting to present the National Development Plan which began at 1130 (1730 GMT) in the National Palace and was presided over by President Miguel de la Madrid.

Sepulveda Amor stressed that Mexico's foreign policy is loosely linked to the national domestic process and reaffirmed the Mexican Government's respect for self determination of peoples, nonintervention in the internal affairs of other states, and negotiated solutions to international conflicts. Similarly, he pledged Mexico's support for international organizations and for the struggle to achieve the nuclear disarmament of the superpowers. We propose, he added, that relations between states be based on fairness, dignity, and mutual respect. Sepulveda returned this morning from Panama, where he met with his colleagues from the Contadora Group and with the foreign ministers of five Central American countries.

CTM POSTPONES STRIKES, UNIVERSITY STRIKE SET

FL281515 Mexico City NOTIMEX in Spanish 0130 GMT 28 May 83

[Excerpt] Mexico City, 27 May (NOTIMEX) -- The Confederation of Mexican Workers (CTM) has postponed the strikes that had been called for 30 May for 10 more days in view of the fact that 42 percent of the enterprises had reached agreements with their unions. Fidel Velazquez, secretary of the CTM -- the country's most important labor organization -- indicated that the business sector had demonstrated a good attitude toward the labor sector and thus the strikes had been postponed until 9 June. Meanwhile, the workers of the National Autonomous University of Mexico [UNAM] announced they would go on strike against that university, the most important of the country, next Tuesday. The secretary general of the UNAM trade union said the talks with the university's officials had been suspended, and added that the 25,000 employees of that institution were demanding a 40 percent wage increase.

FOREIGN SECRETARY TO ATTEND CARTAGENA FESTIVITIES

Optimism on Contadora Efforts

FL311422 Mexico City NOTIMEX in Spanish 0308 GMT 31 May 83

[Text] Mexico City, 30 May (NOTIMEX) -- The Contadora Group has made significant progress for peace in Central America in the past 24 hours, Mexican Foreign Secretary Bernardo Sepulveda Amor has stated. Prior to departure for Cartagena, Colombia, a city which is commemorating the 450th anniversary of its founding, the Mexican foreign secretary termed the last meeting of the Contadora Group as fruitful. As you will recall, a meeting of the peace-seeking group with the participation of the foreign ministers from Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua opened Friday. This morning Sepulveda Amor returned to Mexico City to attend the presentation of the National Development Plan together with the rest of the cabinet. Remaining on Contadora Island to represent Sepulveda Amor was Under Secretary Ricardo Valero, who reported to the foreign secretary on the latest negotiations conducted by the representatives of Panama, Colombia, Venezuela and Mexico.

Cartagena Talks Planned

PA310312 Paris AFP in Spanish 0146 GMT 31 May 83

[Text] Mexico City, 30 May (AFP) -- Mexican Foreign Secretary Bernardo Sepulveda left for Colombia today to participate in Cartagena in the commemoration of Simon Bolivar on the bicentennial of his birth that will be held there with the participation of all the Latin American foreign ministers.

During his visit to Colombia, which will last until 2 June, Sepulveda will hold talks with other foreign ministers of the area on "bilateral and regional subjects." Sources close to the Foreign Secretariat said that during the meeting the foreign ministers will informally analyze Central America's problems, which worry all the governments of the region.

Sepulveda, who until last night participated in the meeting of the Contadora Group with representatives of the five Central American countries, returned to Mexico to participate in the launching of the National Development Plan, a program that outlines the domestic and international priorities of President Miguel de la Madrid's administration for the next 5 years.

During his visit to Colombia, Sepulveda will meet with Colombian President Belisario Betancur, it was announced officially today. At the meeting, Betancur and Sepulveda will analyze various aspects of the talks held between the foreign ministers of the Contadora Group and those of Costa Rica, Guatemala, Honduras and Nicaragua 27-30 May in Panama City.

Sepulveda left for Colombia after meeting in Mexico City with President de la Madrid to brief him on the progress of the peace negotiations for Central America that are being jointly held by Colombia, Mexico, Panama and Venezuela.

CUBA'S MALMIERCA STOPS OVER EN ROUTE TO COLOMBIA

Comments on Contadora, Williamsburg

FL302345 Mexico City NOTIMEX in Spanish 2210 GMT 30 May 83

[Text] Mexico City, 30 May (NOTIMEX) -- The Government of Cuba supports the efforts of the Contadora Group to bring peace to the Central American region through negotiations and without foreign meddling, Cuban Foreign Minister Isidoro Malmierca stated today.

The Cuban official said U.S. military intervention affects El Salvador and the other nations of the area. He indicated that the military presence of the Ronald Reagan administration had increased and is directly related to the attacks on Nicaragua.

The Cuban foreign minister rejected the conclusion that the meeting of seven industrialized countries held in Williamsburg, Virginia had provided any positive or favorable results for the developing countries. There will be no economic recovery in the developed countries, he stressed, as long as the path to the economic recovery of the developing countries remains closed.

Isidoro Malmierca rejected the possibility that diplomatic relations between Cuba and Colombia could be reestablished, but stressed that at the present time there were only good relations between the two countries.

The Cuban diplomat was in Mexico City for a few hours while en route to Colombia to attend the commemoration of the 450th anniversary of the city of Cartagena de las Indias at the invitation of his Colombian counterpart, Rodrigo Lloreda Caicedo.

Havana Report

FL211501 Havana Domestic Service in Spanish 1100 GMT 31 May 83

[Text] Cuban Foreign Minister Isidora Malmierca offered a press conference at the Benito Juarez International Airport in Mexico City during a technical stop enroute to Colombia. The Cuban foreign minister was invited to participate in the festivities marking 450th anniversary of the founding of the city of Cartagena de Indias, which will be held in that Colombian city. At the air terminal, Malmierca was welcomed by Under Foreign Secretary Alfonso de Rosenzweig. In his statements to local newsmen, Malmierca ratified Cuba's support for the Contadora Group's efforts for peace. Referring to the Williamsburg summit conference, Malmierca said that there will be no recovery in the developed countries' economies so long as the path to the economic recovery of the developing countries is not defined.

On arrival in Bogota, en route to Cartagena on the Colombian Atlantic coast, the Cuban foreign minister was met by newsmen. Malmierca referred to the announced assignment of military advisers to Honduras to train Salvadoran troops as a new step in U.S. meddling in the Central American region. Referring to the efforts of the Contadora Group, he said that even though an agreement has not been reached thus far, efforts for peace in the area should continue until achieving positive results.

DPA Report

PA311437 Hamburg DPA in Spanish 2138 GMT 30 May 83

[Text] Mexico City, 30 May (DPA) -- Cuban Foreign Minister Isidora Malmierca stated here today during a stopover in Mexico that the government of Fidel Castro has expressed its solidarity with the countries of the so-called "Contadora Group" in their effort to secure peace in Central America. Malmierca, who stopped over in Mexico en route to Bogota, accused the U.S. Government of implementing a policy of "aggression" in Central America and of trying to cause an armed confrontation between Honduras and Nicaragua. "The United States wants a war between Honduras and Nicaragua. We hope that Nicaragua will not be intimidated and will not be provoked by Honduras," the Cuban foreign minister said. He was greeted at the local airport by Alfonso de Rosenzweig, under secretary of foreign affairs, and Senator Gonzalo Martinez Corbala. Malmierca added that the intent of Ronald Reagan's government to increase the number of U.S. military advisers in El Salvador, the "militarization" of Honduras, and the increasing economic aid to the Salvadoran Government are part of the U.S. "policy of aggression" in the region which threatens to provoke a "Vietnamization" of the conflict.

Malmierca admitted that there are thousands of Cuban citizens in Nicaragua, but affirmed that "they are professors who are cooperating in the anti-illiteracy campaign or are volunteers in health and construction tasks on the Atlantic Highway. They are not military troops at all.

CONGRESSIONAL DELEGATION VISITS BULGARIA

For a Sofia BTA report on the Mexican congressional delegation visit to Bulgaria, see the Eastern Europe DAILY REPORT of 31 May.

PAREDES LEAVES FOR U.S., DISCUSSES TRIP

PA312006 Panama City Domestic Service in Spanish 1750 GMT 31 May 83

[Interview with Brigadier General Ruben Dario Paredes, commander in chief of the Panamanian National Guard, at Omar Torrijos Herrera International Airport in Panama City; questioners not identified -- live]

[Excerpt] [Question] Could you tell us the purpose of your visit to the United States? Are you only going to meet with military personnel or does your tour include visits with civilians such as the secretary of State or others?

[Paredes] We are going to Washington with a stopover in Atlanta. This visit is in response to an invitation from Pentagon friends, mainly General Meyer, the Army chief of staff. We consider this a courtesy visit because we have been invited on three occasions. In addition to repaying the general's visit, the main purpose is to discuss matters of interest to the two forces. Perhaps we will also discuss certain military aspects of the implementation of the Torrijos-Carter Treaty. We have no plans to meet with politicians of the Reagan administration. This is a military visit. We will then return home.

[Question] What do you think the results of your trip to Washington will be? Do you think they will be negative or positive?

[Paredes] I think the most important thing is that the Americans have a sincere desire to maintain good relations and we must do the same, particularly now that the region is so strife-torn. It is important to maintain these ties of friendship, not only to see how we can keep our country free of the violence but also to see how we can help eliminate this violence from other places like El Salvador, Nicaragua, Honduras, Guatemala, and Costa Rica.

[Question] While the Contadora Group talks were underway with the other foreign ministers there were rumors in Washington that President Reagan had given the order to impose the big stick policy on Central America. What is your opinion?

[Paredes] We advocate peace. Panamanians believe in peace. We promote it and treasure it. We are enjoying social balance right now. Although our main interest is Panama, we also believe that we can contribute, as we are doing now with the Contadora initiative, with our efforts so that the other brother countries can have peace.

The Reagan policy which you described as the big stick policy is one we oppose, regardless of its origins. We believe that world conflicts must be solved through civilized dialogue. It is our true belief that solutions must be found through peaceful negotiations. I believe the Panamanian people share this view.

[Question] What position is Panama taking to Washington regarding the School of the Americas?

[Paredes] This is part of the talks. We are not going to give up the reversion that must take place on 30 September 1984. After that step is taken, as established in the Torrijos-Carter Treaty, then we could discuss whether it is advisable to have it continue as a school.

However, this is a matter that is not only subject to military-level talks; President de la Espriella's government must also give its opinion.

[Question] What is your opinion about the possibility of the United States establishing a military base in Honduras?

[Paredes] I've heard about that through the media but I have no evidence of it.

DIAZ ACTING GUARD CHIEF DURING PAREDES TRIP

PA311432 Panama City MATUTINO in Spanish 31 May 83 p 1-A

[Text] As of today, Colonel Roberto Diaz Herrera, deputy chief of the National Guard General Staff and G-2, will be in charge of the office of the National Guard commander. He will take charge when Commander in Chief General Ruben Dario Paredes leaves for Washington accompanied by Colonel Manuel A. Noriega, Colonel Marco Justine, and Lieutenant Colonel Bernardo Barrera.

Col Diaz, an officer with a brilliant service record, will be in command of the public force during the Panamanian military delegation's mission in the U.S. capital.

LA REPUBLICA PRINTS PAREDES RESIGNATION LETTER

PA312125 Panama City LA REPUBLICA in Spanish 29 May 83 pp 1A, 8A

[Letter from General Ruben Dario Paredes, commander in chief of the Panamanian National Guard, to President Ricardo de la Espriella, dated 27 May 1983]

[Text] Dear Mr President:

I hereby address Your Excellency to fulfill my promise to resign my post as commander in chief of the National Guard -- this time in an irrevocable manner -- as of 12 August 1983.

In so doing, I must mention the profound respect that uniformed men have for the military roster as the basis for our institutional spirit, which makes it possible today for National Guard soldiers, officers and troops to move up to higher positions based on merit, devotion, and loyalty toward the principles guiding our institution.

Last year, when the time came to submit my resignation as the National Guard retirement policy stipulates, you were kind enough not to accept my resignation based on a respectful request you received from the National Guard staff. Since then I have been indebted to you and my comrades-in-arms for the confidence you shown in me.

The country is now going through a process of democratic institutionalization. This, as we all know, has not happened by chance. We do know, though, that several generations of Panamanians have contributed to this end. It has been the result of our civic maturity, of our lifestyle, of our people's generosity. In one way or another we have tried to contribute to the project of making a real nation of Panama. We are satisfied to know that we will be replaced by the enviable forwardness of our vigorous youth, and that Panamanians will be able to look each other in the eye, despite our domestic differences, free of damaging and fratricidal hatred that always leads to destruction and mourning.

The step we are taking today is normal, and yet it would seem almost strange in some regions of the world. It reflects the maturity achieved by each of the soldiers of our fatherland, from the modest guardsman beginning his military career to each of the officers and troops.

In our innermost thoughts we can now appreciate the road toward progress that the National Guard has trodden, from being used as a blind and inflexible instrument for repression, to wearing our uniforms with dignity. We have put behind us the painful days when, defending selfish interests, we were forced to confront our brothers in the streets and mountains of the republic. We have left those sad days in the past because we learned that we could not be indifferent to the sorrow of the Panamanian mothers, as their sorrow was that of our own mothers, and because we realized that the struggles of the Panamanian people are also our struggles, because the members of the armed forces are also an essential part of the fatherland.

In our country we can proudly state today that we are part of an institution in which each of us holds the best weapon a soldier can have: the full awareness of his duty, which only a philosophy swelling with patriotism, sovereignty, and national conscience like the one inherited from General Omar Torrijos Herrera can give. This ideal is the same one that beats in the heart of each woman, child, worker and peasant, professional, artist, businessman, and student. They will have the responsibility of continuing to evaluate the events and deciding in the end if we are to renounce our historic commitments, sworn a thousand times before the altar of the homeland, or to continue building our destiny, burying forever the errors of the past, because the people are definitely the ones who make our history.

Therefore, the nation already has highly professional armed forces and people with sufficient preparation to face the challenge of the year 2000, which entails absolute sovereignty over all the national territory.

Mr President, I am sure that the day my retirement takes place a very hard-to-describe thought will arise in my mind: How does a man leave what has been his house, his children, his brothers, his comrades, and his friends after 26 years, for almost an entire life? Paradoxically, that instant of retrospection will also include pride in the mission accomplished by a humble soldier who had the fortune to open fire against the underdevelopment of the land in which he was born, to mount guard over the beautiful task of watching over the reordering of its institutions, and to know with absolute certainty that when the world looks at us we are experiencing peace and coexistence.

Upon expressing to Your Excellency my satisfaction at having the opportunity to cooperate with your government, and in valuing your pure patriotism, your clear intelligence, and your devotion to the best interests of the republic, I would like to express through you my apologies to those compatriots who might feel affected by some action resulting from the exercise of my functions. I firmly reiterate to everyone that I did my best to heal wounds and promote concord and harmony in the Panamanian family.

The change of command will take place on 12 August 1983.

Yours truly, respectfully, and sincerely, "EVERYTHING FOR THE FATHERLAND" [capital letters indicate boldface as published]

Brigadier General Ruben Dario Paredes, commander in chief of the National Guard

Copies to: chief of the General Staff; officers, noncommissioned officers and troops; general order of the day.

GOVERNMENT NEGOTIATES FOREIGN DEBT REFINANCING

PA291340 Panama City LA PRENSA in Spanish 27 May 83 p 83

[Text] The national government is currently holding talks with a group of international banks in order to refinance a portion of Panama's foreign debt, sources linked to the banking sector told LA PRENSA.

Representatives of the Panamanian Government's most important creditors, including international officials of the Bank of America, Citibank, the Chase Manhattan Bank and others, have participated in the talks.

The national government is not in a position to meet the \$300 million debt payment scheduled for the coming months. For this reason the government has asked the banks to reschedule or refinance this portion of the public debt. As is known, the Panamanian Government has accumulated a debt of more than \$4 billion over the last 14 years. In view of the conditions affecting the national economy and the international economic situation, the government is having difficulty meeting the payments due this year. Still, it has not been disclosed whether the IMF is participating in these negotiations or what steps have been or will be taken to refinance the remaining \$3.7 billion of the debt.

PST URGES COMMUNISTS TO ABANDON 'TORRIJISM'

PA272311 Panama City LA REPUBLICA in Spanish 26 May 83 p 2

[Statement issued by the Executive Committee of the Socialist Workers Party [PST] in Panama City on 25 May 1983: "We Again Insist on a Workers' Electoral Front"]

[Excerpts] We realize that the reply that Cleto Souza [secretary general of the communist People's Party of Panama] made to our proposal of 4 January 1983, which was published in CRITICA on Wednesday, 18 May, is not sudden, accidental, or unexpected. It is consistent with the support for the "process of changes sponsored by Omar Torrijos" that leads him to back the candidate that is guided by this ideology, because "so long as this ideology is alive, there will be no problems." We also believe that (in view of the time that elapsed before he replied) Cleto Souza was expressing the stand of the People's Party leadership. We do not wish to discuss today whether or not the Torrijist ideology has caused us problems.

We do not wish to discuss that. What for? We want the People's Party to break away from the military, the bosses, and their government so that we can discuss a program leading us to create a worker's electoral front that is totally independent of Torrijism, the generals, and the bosses.

We told him so on 15 May and we tell him so again today. That is all we have to say: "Companeros of the People's Party, break away from Paredes, his political parties, and his process now," so that we can "discuss the program of struggle that the workers' candidates will implement against the bosses and their generals" during the coming elections.

Our main endeavor is to unite the working class and free it from bosses and generals, but as we have mentioned before, our 5 years of day-to-day struggle to achieve legal recognition now represent an absolute guarantee that workers and peasants will fight for a government of the working people and that there will be candidates among us who will raise the banner of class independence. We would prefer that those candidates be the result of unity, but if this is difficult to achieve because Cleto Souza will support "the candidate that promotes the Torrijist ideology," then, fellow workers, our PST will be there to guarantee an electoral battle in which the working class and poor peasants will participate without having to ask the boss, the landowner, or the general in charge for permission.

We hope that the People's Party will break away from the process now so that we can start to build a program which is united and classist for 1984. However, today we want to invite you to join together in preparation for the march that has been called for Monday, 16 June by CONATO [National Council of Organized Workers] to demand the return of the second installment of the 13th month wages that the government has been holding since 1972 and to demand that it be paid directly to us from 1983 onward; to defend those labor, union, and social benefits that are still provided by the Labor Code and the Housing Law; to prepare for the general strike proposed by CONATO and others for 21 and 22 June; to fight those who leave us jobless and raise prices and to tell them right now that the workers will not vote for them or for their generals.

PST Executive Committee

[Issued] Panama, 25 May 1983 [signed] Herasto Reyes

MATUTINO APPRAISES NEW SOUTHERN COMMAND CHIEF

PA271550 Panama City MATUTINO in Spanish 25 May 83 p 11-A

[By Demetrio Olaciregui]

[Text] Military analysts have concurred in describing the recently replaced chief of the Southern Command, General Wallace Nutting, as a "soft-line" man while the new commander, General Paul Gorman, is depicted as a "hard-line" man. In this question of doves and hawks, terms also used to describe soft and hard men, there is a line as thin as a razor's edge.

Gen Gorman comes to the Southern Command with ample experience as a trainer of U.S. special troops in Vietnam which, added to his term as head of the U.S. infantry forces in Europe, places him among the highest-ranking U.S. military commanders outside the continental United States.

Gen Nutting will now be in command of 350,000 soldiers at the Readiness Command, McDill Air Force Base in Florida, whose mission is to close the pincers on Central America and the Caribbean with immediate support from the Southern Command base in Panama.

Although it could be a routine change, the fact that Gen Gorman leaves his post as Deputy Chief of the U.S. Armed Forces Joint Chiefs of Staff for new duties at the Southern Command may indicate that Washington is placing its key figures in the ever more militaristic pattern of approach in Central America and the Caribbean. Each movement of President Reagan's administration could be interpreted as a step farther away from possible alternatives of dialogue to solve the crisis.

Perhaps Washington is becoming less interested in spending time working for peace. The facts indicate that to U.S. strategists and political planners it is possibly too late to speak of negotiations.

Gen Nutting commanded Washington's military establishment in the midst of a blazing Central America and probably waited until the last day of his tenure to launch ideas of interventionist escalation. Nothing can prevent the growing fears concerning the plans of Gen Gorman, a "hard" officer of ample combat experience, trained in the military diplomacy of peace under supervision of the Pentagon hawks.

The emphasis on a military solution to the Central American and Caribbean crisis, imposed by the United States, could be counteracted through the clear reinforcement, on the part of Panama's National Guard Staff, of the pacifying possibilities of the principles of nonintervention, self-determination, and the search for a political dialogue as the only alternative toward a lasting and permanent solution.

BELIZEGOVERNMENT DENIES REPORT ON U.S. BASES PLAN

PA290117 Paris AFP in Spanish 0029 GMT 29 May 83

[Text] Belize City, 28 May (AFP) -- The Belizean Government has denied that Belizean Prime Minister George Price during his recent visit to Washington discussed with U.S. President Ronald Reagan the installation of U.S. military bases in this country.

The director of the Government Information Office, who traveled with the prime minister to the U.S. capital, made this statement in response to press dispatches released to that effect in Belize. According to these reports, the U.S. authorities had proposed to the Belizean Government their intention to establish military bases in this country as an alternative to the School of the Americas based in the former Canal Zone of Panama.

EL SALVADORHIGH-LEVEL ARMED FORCES PERSONNEL CHANGES

PA010306 Panama City ACAN in Spanish 0116 GMT 1 Jun 83

[Excerpts] San Salvador, 31 May (ACAN-EFE) -- The Salvadoran Armed Forces High Command today replaced the chiefs of three departments, the Treasury Police and the Armed Forces Press Committee (Coprefa).

Lieutenant Colonel Marco Antonio Alfaro Callejas, until today commander of the Engineering Training Center in Zacatecoluca, capital of La Paz Department, has been appointed chief of the 6th Military Zone in La Union. He was replaced by Lieutenant Colonel Mario Denis Moran, until today military attache at the Salvadoran Embassy in Panama.

Colonel Ramon Antonio Morales Ruiz, until today chief of La Union Military Zone, has been appointed chief of the 4th Infantry Brigade in El Paraiso, Chalatenango Department.

Colonel Maximiliano Elva was relieved as chief of the 4th Brigade and appointed military attache at the Salvadoran Embassy in Peru.

Treasury Police Chief Colonel Francisco Antonio Moran has been replaced by Colonel Nicolas Carranza, former president of the Lempa River Hydroelectric Executive Committee (CEL). It was not reported who the president of the CEL will be after today, but Colonel Moran, on availability status in the General Staff, will be appointed "to a post in the public administration."

Colonel Marco Aurelio Gonzalez, chief of Coprefa, and Colonels Carlos Angel Aviles and Eusebio Cotto, who were also members of Coprefa, have been replaced. Lieutenant Colonel Ricardo Aristides Cienfuegos, who had a position in the Defense Ministry, will be the new Coprefa chief.

Colonel Gonzalez has been appointed military attache at the Salvadoran Embassy in Guatemala, and Colonel Cotto will be military attache at the Salvadoran Embassy in Panama.

Colonel Aviles has been appointed chief of the Logistics Department of the General Staff. Colonel Joaquin Barrera, who had a position in the Defense Ministry, has been appointed chief of the territorial service.

RADIO VENCEREMOS REPORTS ON FMLN ACTIVITIES

Army Helicopter Downed

PA310358 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 31 May 83

[Text] Commander Freddy of the support weapons battalion, reported at 1130 today, Monday, 30 May, that his battalion's antiaircraft units had shot down an enemy helicopter near Manguera in Morazan Department.

Army Warned in Santa Rosa de Lima

PA310450 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 30 May 83

[Text] We inform the Salvadoran people that the soldiers and police are engaged in the systematic repression of the people of Santa Rosa de Lima, in La Union Department. We inform you that the approximately 100 soldiers and 75 policemen stationed in Santa Rosa de Lima have been placing roadblocks at access routes to the city and robbing, abusing and repressing the peasants living in the area.

The main victims of this repression are the youths of the city, several of whom have been assassinated simply because they were suspected of being sympathetic toward the FMLN. The victims, who have included some women, are usually left on the bridge on the highway to La Union and the Pasaquina turnoff.

The main person responsible for these crimes is Lieutenant Ventura, whom the people of Santa Rosa de Lima have given the nickname "Pata de Zote" [Clumsy].

The residents of the city have expressed their repudiation of the dictatorship's troops and have refused to continue paying the maintenance fees that the Army has imposed upon them. Similarly, they have given us a list of policemen, NCO's and enlisted men who are involved in these crimes and abuses. The people have asked the FMLN to occupy Santa Rosa de Lima again to give these wretches what they deserve. The FMLN hereby warns these individuals that our forces will bring revolutionary justice upon them for each and every one of the crimes they commit.

Communications Center Seized

PA311604 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 31 May 83

[Text] Attention, much attention: Here is an important report on recent developments of FMLN military activities in eastern El Salvador.

We inform our people that at 0400 today, forces of the Commander Rafael Arce Zablah Brigade totally occupied the installations of the military communications center at the Cacahuatique volcano. Heavy fighting leading to the final attack began at 0300 today. Our forces started attacking yesterday, Monday, 30 May. Clashes continued all day yesterday. As a result, our forces managed to encircle the garrison at this military communications center and take over the first fortified positions defending the center.

Today, at this hour of the morning, we inform our people that our forces have occupied the military communications center at the Cacahuatique volcano.

The military communications center occupied by the FMLN had strategic coordination and retransmission functions for the enemy's communications between the entire eastern region and other parts of El Salvador. Important, advanced equipment is located at this strategic military communications center.

We ask our people to be on the alert for reports on the progress and results of clashes taking place in Morazan, which will continue in the eastern part of the country, as part of our military campaign "In Face of Reagan's Attacks, El Salvador Will Win."

GUATEMALA

HAVANA CITES REBEL ACTIVITY IN ALTA VERAPAZ

PA292340 Havana International Service in Spanish 1800 GMT 29 May 83

[Text] Three dead, including an officer, was the toll in an ambush set by guerrillas against Guatemalan soldiers in Alta Verapaz Department, in central Guatemala. The rebels took the weapons of the dead soldiers and withdrew, reporting no casualties.

Meanwhile, the Guatemalan regime has reported the arrest of seven people in a house in Guatemala City, where it allegedly recovered weapons and propaganda belonging to the Armed Peoples Revolutionary Organization.

HAVANA ON OFFICIAL DRIVE FOR RETURN OF REFUGEES

PA291620 Havana International Service in Spanish 1800 GMT 27 May 83

[Text] Guatemalan Government Minister Ricardo Mendez will shortly arrive at the Mexican border area to persuade Guatemalan refugees in Mexico to return to Guatemala and to seek shelter under the so-called amnesty and electoral laws promulgated by Efraim Rios Montt's regime.

The Guatemalan government minister's effort, which is part of the so-called diplomatic actions that the regime is carrying out under its counterinsurgency plan, is considered a failure in view of the refusal of nearly 40,000 refugees to return. The refugees have asserted that doing so would mean certain death at the Army's hands.

Political observers feel that Mendez' mission, which also applies to Guatemalan intellectuals who have taken refuge in Mexico, is contradicted by constant charges that repressive actions and massacres are being carried out in Guatemala.

HONDURAS

NAVY CHIEF COMMENTS ON SITUATION WITH NICARAGUA

PA270445 Tegucigalpa Cadena Audio Video in Spanish 2112 GMT 26 May 83

[Gustavo R. Rubi interview with Colonel Ruben Humberto Montoya, commander of the Navy, at the Government House on 26 May -- recorded]

[Text] [Montoya] Well, we have diplomatic and trade relations with Nicaragua. This has not changed. As the people know, we have experienced some aggression from Nicaragua. Nicaragua knows that the Navy is not in the sector of the 15th parallel.

On the other hand, the Navy continues to be vigilant to protect the ships and property of the businessmen and fishing crews that make a living from working at sea in the area of the 15th parallel, which is the traditional maritime border between Honduras and Nicaragua.

[Rubi] Are we ready for any aggression, ready to defend the national territory?

[Montoya] Well, as stated in the Constitution, the military authorities were established to defend the territorial integrity and sovereignty of our country.

[Rubi] Colonel, are there any fears that leftist groups, following orders from Nicaragua, could sabotage our country's infrastructure or main services for the people?

[Montoya] Well, as you know we have experienced various aggressions by these subversive groups. Almost always these are foreign commandos. They have always identified themselves as commandos from El Salvador or Nicaragua. You already know that we experienced several such aggressions and it is possible that we might continue experiencing these actions as long as they seek a pretext to destabilize the democracy that we are trying to protect in this country.

[Rubi] To prevent this, have internal security measures been adopted and not only along the border?

[Montoya] Well, of course. You know that the Constitution states that we must be ready and prepared to defend the Constitution inside the country as well as along the border. The meeting of the Security Council was routine. We meet once or twice a month to discuss matters that have to do with national security as well as matters that enable the free movement of the government. We are an organization that is under, and obeys, the orders of the president given through the chief of the Armed Forces.

[Rubi] Is there a latent threat of a confrontation with Nicaragua?

[Montoya] Personally I don't believe so. However, the Armed Forces are ready to defend the country. Thank you.

NICARAGUA

COMMENTARY SCORES OUTCOME OF WILLIAMSBURG SUMMIT

PA311945 Managua Radio Sandino Network in Spanish 1200 GMT 31 May 83

[Station Commentary: "What Did Latin America Get Out of the Williamsburg Capitalist Summit?"]

[Text] Colombian President Belisario Betancur was right when he decided not to attend the ninth summit of chiefs of government of the six [as heard] main capitalist countries which concluded yesterday in Williamsburg, Virginia.

All the Latin American countries asked the Colombian president to attend the summit on behalf of the subcontinent to outline to the leaders of world capitalism -- the United States, France, Canada, the United Kingdom, Italy, the FRG, and Japan -- the urgent changes and adjustments that must be made in the current world economic order which has only resulted in the accumulation of wealth for imperialist consortiums to the detriment of the underdeveloped countries' economies.

However, President Betancur understood, in time, that the leaders of capitalism could offer very little or nothing to the Third World. Therefore, he merely sent a letter with the suggested measures.

But now that the results of the Williamsburg summit -- described as catastrophic by British Labor Party leader Michael Foot -- are known, we can imagine what a humiliation it would have been for a Latin American representative of the caliber of President Betancur to have attended an event during which each and every demand would have been ignored.

As we warned in our "Beyond the Information" commentary aired on Saturday, instead of promoting a new world economic order that included a new redistribution of wealth and an intercapitalist effort to help the Third World which is being exploited by the seven powers meeting in Williamsburg, the summit was involved in attempts to iron out important differences among the governments involved in the meeting.

International news agencies reported that after a difficult debate, President Reagan's stubborn position did not change much. He only made concessions in the language of the final resolution, but in return he demanded that France, the FRG, and Japan support this militaristic policy for a nuclear arms buildup and a confrontation with the Soviet Union as substitutes for detente and disarmament. In other words, since Reagan knew that he couldn't back down on economic matters, he cunningly diverted the attention of the debate to security topics and gave preference to a draft resolution that was unanimously approved after an additional 7 hours of discussion.

Reagan's allies had to digest the U.S. President's solution without any comments. He told them: Wait for the United States to reach a 6-percent economic growth within 6 months and it will bring favorable effects for you.

We must recall that the countries attending the Williamsburg summit have 33 million unemployed, an average of 9 percent of their total work force. These jobless are being asked to wait for the U.S. economy to flourish. Needless to say, 120 countries of this earth, 75 percent of the planet's entire population, are not even considered. These peoples need the developed nations' effort to implement an emergency plan to alleviate their desperate hunger and misery and to save them from a catastrophe within a short term. They need better prices for their raw materials and lower prices for the machinery and technology they import. They need to see an end to the protectionist barriers that prevent them from placing their exports in large capitalist markets. They urgently need a drop in interest rates on the already large debts owed to large imperialist metropolises.

But Williamsburg only offered silence and a few aspirins for these problems. France's demand for an international monetary conference to end the irritating dollar supremacy merely received an answer: It will be studied or it might be possible, etc, etc.

The important thing is that, as we said on Saturday, Latin America was not waiting on its knees for the Williamsburg results. President Betancur had a lot of foresight and anticipated these results. Latin America already knows that the future depends on its unity and strength. It could be no other way on the year of Bolivar's bicentennial.

COUNCIL MEETS; COSTA RICAN DEPUTIES TO VISIT

PA270320 Managua Radio Sandino Network in Spanish 1200 GMT 26 May 83

[Text] Today the Nicaraguan State Council will start its first ordinary meeting of the fourth legislative period by reviewing the political parties bill. The bill has 33 articles, which were studied by representatives of several political organizations in the country, except for the opposition parties which make up the Ramiro Sacasa Guerrero Democratic Coordinating Board.

The FSLN presented the bill to regulate the political parties' activities to parliament in 1981, but the discussions were postponed in March 1982, after the national emergency. Later on, the coalition of the Patriotic Front of the Revolution, FPR, requested that the debate be reopened on 27 October 1982.

A State Council spokesman said that a report on parliamentary activities during the recess period w'll be presented at the meeting today. They will also start to discuss the housing regulations bill.

A delegation of eight deputies from the Costa Rican Legislative Assembly will arrive today at 0830 in the Augusto Cesar Sandino International Airport of Managua, upon invitation of Commander Carlos Nunez, president of the State Council. The delegation of the brother country includes members of the assembly's interparliamentary commission and peace committee. The Costa Rican delegation will stay in Managua until Sunday, and will meet with the Government Junta for National Reconstruction, attend the State Council's meeting today and visit the penal farm in Tipitapa.

The delegation of Costa Rican deputies is comprised by (David Fallas Alvarado), head of the group and deputy for the National Liberation Party; (Telma Curlin Rodriguez), National Liberation Party; (Julio Jurado del Barco), National Liberation Party; Sergio Erick Ardon Ramirez, People United Party; Alvaro Montero Mejia, People United Party; (Ricardo Rodriguez Solorzano), deputy for Independent Party; (Oscar Valverde), Independent Party of Alajuela; and (Maria Elidia Sanchez Valverde), National Liberal Party.

COMMUNIQUE ON VISIT BY COSTA RICAN DEPUTIES

PA310411 Managua Radio Sandino Network in Spanish 1200 GMT 30 May 83

[Joint communique issued by the visiting delegation of the Costa Rican Legislative Assembly and the Nicaraguan State Council Foreign Commission on 28 May in Managua; read by Angela Rosa Acevedo, of the Luisa Amanda Espinoza Nicaraguan Women's Association -- recorded]

[Text] The Costa Rican Legislative Assembly delegation and the Nicaraguan State Council Foreign Commission, highly interested in contributing to the peace and security of the two nations, and whereas:

1. Nicaragua and Costa Rica are neighboring countries united by history and general common interests. The need to maintain and develop relations between our peoples in the economic, political, and cultural fields is a direct consequence of this historical brotherhood. This need has been confirmed many times throughout the years. Actions and misunderstandings have been building up for various reasons that are obstructing the favorable progress of these relations. There is a serious political crisis in Central America, and disturbing actions are threatening peace in the whole region.

Dialogue and negotiation based on mutual respect and understanding are the correct path for the solution of problems between states. Both legislative bodies can and should assume a responsible and active role in the search for dialogue, negotiation and peace. The governments of Costa Rica and Nicaragua have decided on a dialogue mechanism, represented by the joint commission. The two countries have publicly expressed their decision to maintain the best of relations, by guaranteeing that their territories will not be used as bases of aggression or harassment against the other.

2. We must follow and defend the principles set forth in the UN Charter, especially nonintervention in the internal affairs of states, the self-determination of peoples, the rejection of the use of force or the threat to use it, respect for the territorial integrity and political independence of states, and the peaceful solution of conflicts between states.

Resolved: 1. A permanent channel of communication to keep abreast of the problems in our countries and the region should be maintained;

2. We recommend to our respective executive branches the appointment of members of the two legislative branches to the joint commission established for holding bilateral talks leading to the solution of the two countries' problems.

3. Commissions from the Costa Rican legislative branch and the Nicaraguan State Council should make visits to the region to confirm the war situation on the Nicaraguan border, and to explain to the Legislative Assembly Nicaragua's situation and its social, economic and political problems;

4. We will join efforts for the holding of a meeting of legislative bodies to promote dialogue in Central America and to contribute to the search for peace;

5. We will give full support to the joint commission in which our countries' representatives are seeking means to solve the existing problems through the only viable method, which is a dialogue based on mutual trust and cooperation;

6. The Costa Rican Legislative Assembly delegation supports the principle of neutrality maintained by Costa Rica, as a basis for just relations with neighboring states; and

7. The Nicaraguan State Council Foreign Commission maintains its firm support for the Nicaraguan revolution's legitimate right to defend itself from foreign aggression by all means within its power.

Issued in Managua, Nicaragua, 28 May 1983 [Signed] For the Costa Rican Legislative Assembly delegation: David Fallas Alvarado, Sergio Erick Ardon Ramirez, Oscar Valverde Rodriguez, Ricardo Rodriguez Solorzano, Thelma Curling Rodriguez, Julio Jurado del Barco, and Alvaro Montero Mejia. For the Nicaraguan State Council Foreign Commission: Mariana Fiallos Oyanguren, Reinaldo Payan Leiva and Angela Rosa Acevedo.

BORGE ON RELIGIOUS FREEDOM, REBEL 'PROPAGANDA'

PA271426 Managua Radio Sandino Network in Spanish 1200 GMT 26 May 83

[Excerpts] Some foreign priests are using their churches to encourage the people to participate in the armed counterrevolutionary struggle and to join the so-called Nicaraguan Democratic Front, FDN, led by the Somozists.

This was reported last night by Commander of the Revolution Tomas Borge Martinez during a speech at the end of the second continental meeting of Christian women, which took place at the Cesar Augusto Silva Convention Center.

The interior minister said that he has evidence that this counterrevolutionary work is being carried out in certain churches of Managua, adding that this evidence will be presented in due time. He also said that the government will not allow such propaganda efforts anywhere in Nicaragua, and certainly not in church, which has been built for prayer for the poor and the worship of Christ, not the worship of imperialism and its riches.

Commander Borge also pointed out that there has never been so much religious freedom in the country. Let's listen to him: [Begin Borge recording] There has never been so much religious freedom in our country as there is today. Only hypocrites can say that there is no religious freedom in our country.

There is no religious persecution in Nicaragua, despite what is being said at different churches in Nicaragua, particularly in Managua; we have some information on this. We will reveal the evidence once we have gathered all of the necessary information.

Some foreign priests, and perhaps even some Nicaraguan priests, are asking their congregations to participate in the armed counterrevolutionary struggle and to join the ranks of the FDN, which is led by Somoquist guards.

This very day we received additional information, but I have not had time to review it. I believe that we have every right not to be taken for fools and not to permit such counterrevolutionary propaganda at this level, with these repugnant words, anywhere in Nicaragua, and particularly not in a church, which was built to pray for the poor and for the worship of Christ, and not to worship imperialism and its riches. [applause, shouts] [end recording]

TRADE MINISTER ON ECONOMIC RELATIONS WITH U.S.

PA311544 P. ama City ACAN in Spanish 0102 GMT 31 May 83

[Text] Managua, 30 May (ACAN-EFE) -- Nicaraguan Foreign Trade Minister Alejandro Martinez Cuenca stressed today that although Nicaragua has reduced its purchases from the United States, the Nicaraguan Government is not interested in impairing the economic relations between the two countries.

He added, however, that the Sandinist government continues to implement a plan to reduce Nicaragua's "total" economic and technological dependence on the United States.

Martinez Cuenca added that proof of this pain is the market inquiry Nicaragua is carrying out in order to sell Nicaraguan meat in Venezuela.

The Nicaraguan minister further stressed that the U.S. reduction of Nicaragua's sugar quota beginning in October "has had no destabilizing effect" on the Managua Government. "Neither will we be forced to depend on them economically," he said. The minister said that this policy is also valid for all countries with which the Sandinist government maintains economic and commercial relations.

He stressed that Nicaragua is seeking economic and commercial relations that are "stable and solid" and not markets "that will be suspended in the near future, thereby greatly disrupting the national economy."

HAVANA REPORTS SUGAR, COFFEE SALES TO ALGERIA

PA311616 Havana International Service in Spanish 0000 GMT 31 May 83

[Text] Nicaraguan Foreign Trade Minister Alejandro Martinex Cuenca today confirmed that Algeria has bought the 52,800 short tons of sugar that the United States stopped buying from Nicaragua.

In a Managua news conference, the minister added that President Ronald Reagan government's illegal measure will not affect Nicaragua because Algeria will pay for the Nicaraguan sugar at an equal or higher price than that it received on the U.S. market.

After stating that the U.S. decision affects the validity of international agreements, Martinez Cuenca noted that more than 20 years ago, the United States deprived Cuba of its sugar quota and that it is now repeating that error with Nicaragua.

Alejandro Martinez Cuenca said that Algeria will buy 18,000 metric tons of coffee from Nicaragua this year and that in 1984 it will purchase 21,000 metric tons.

DECREES TO CURB CAPITAL DRAIN, SPECULATION

PA292116 Panama City ACAN in Spanish 1231 GMT 29 May 83

[Excerpts] Managua, 29 May (ACAN-EFE) -- The Nicaraguan Government today promulgated three decrees against the foreign exchange black market which, according economic authorities, is a source of decapitalization and speculation with the national currency.

One of the decrees regulates the holding, inflow and outflow of foreign exchange; another one regulates the flow of national currency in and out of the country; and the last one regulates the purchase and sale of foreign exchange through free negotiations with the state-run banking system.

The government decided to close down the six money exchanges that had been operating in the country, and authorized individuals to exchange their dollars at the national banking system at the rate of 28 to 1.

One of the decrees specifically seeks to eliminate the sources fostering the foreign exchange black market in the country. In this regard, it provides that any person residing in the country can carry or keep at home not more than \$500 in cash. Any amount above that must be deposited with the financial system.

According to the authorities in Managua, foreign currency was being sold at a distorted rate of exchange "which bore no relationship to the actual parity of the national currency (10 to 1) or Nicaragua's economic and financial situation."

According to Sandinist authorities, the already closed money exchanges were behaving in a way that favored "the counterrevolution," the capital drainers, money changers, and speculators.

One of the decrees that are taking effect today provides that no one can enter or leave the country with more than 5,000 cordobas (\$500 according to the official exchange rate) per calendar month. The measure seeks to tackle the problem posed by the existence of markets for the purchase and sale of cordobas in Costa Rica and Panama.

As for the penalties applicable to violators under the decrees, these include the confiscation of undeclared dollars and jail terms of up to 6 months. These rules are for Nicaraguan citizens. If foreign citizens are involved, they will be expelled from the country immediately.

PROPERTY OF ANTIREGIME LANDOWNERS TO BE SEIZED

PA291252 Managua BARRICADA in Spanish 25 May 83 pp 1, 5

[Excerpt] Commander of the Revolution Victor Tirado, FSLN National Directorate member, said yesterday that any landowner who is found to be aiding the counterrevolutionaries will have his property confiscated immediately, without consideration or compensation. He then read a list of 15 such landowners in the country's northern region.

Tirado made the announcement during an event held yesterday morning in Jinotega to commemorate the fourth anniversary of Commander German Pomares' heroic death.

The list of counterrevolutionary landowners released by Tirado includes 13 from the area of Zompopera, where the Somozist beasts killed several civilians, including German doctor Albrecht Pflaum, in an ambush a few weeks ago. It has been learned that these landowners were cooperating with the counterrevolutionaries and that some of them did so actively and directly or knew of the counterrevolutionary activities but did not report them.

FSLN fighter Daniel Teller fell in combat in the Zompopera ambush. During yesterday's event, Commander Tirado announced the FSLN National Directorate's decision to grant him the Carlos Fonseca Order posthumously.

During the ceremony, which was led by Daniel Teller's relatives, German Pomares' comrades-in-arms, regional leaders and military authorities in the area, along with Tirado, Jinotega's residents applauded the decisions announced by Tirado; when the names of the landowners were mentioned, a chorus of cries rang out: "Out with them, out with them!"

TECHNICAL AGREEMENT SIGNED WITH BULGARIA

PA271950 Managua EL NUEVO DIARIO in Spanish 18 May 83 p 16

[Text] Two Bulgarian officials visited Nicaragua recently. They are Lyuben Vidolov Glogov, director of the "Nikola Pusegarov" Institute of Soils and Crop Yield Planning, and Dr and Professor Asparujivanov Jazhiyanakiel, director of agrochemical and soil services at the same institute.

Both were invited by Commander of the Revolution Jaime Wheelock Roman, minister of agricultural development and agrarian reform (MIDINRA). The invitation was addressed to Alexandur Petkov, president of the Bulgarian National Agro-Industrial Union.

During their stay in Nicaragua, the Bulgarian officials signed an important "Protocol of Technical Cooperation." This protocol will help in the preparation of plans for overall organization of Nicaragua's agronomic research. It will also serve to prepare a plan for the formation in our country of an Institute for Soil Research and Tropical Produce Yield Planning and other similarly important plans.

In Nicaragua, the Bulgarian delegates held talks with MIDINRA officials Jul'o Cesar Castillo Ortiz, director general of agricultural and livestock techniques; Orlando Vasquez, director of soils and waters; Eudoro Espinoza, deputy director of waters and irrigation; and Nardo Gonzalez, deputy director of soils. The Bulgarian officials also visited some experimental centers and agricultural production concerns. In addition, they showed the national technicians the technological achievements of the People's Republic of Bulgaria.

According to MIDINRA sources, the protocol signed with the Bulgarian delegation includes the training of Nicaraguan technicians in fields of interest for the Nicaraguan agricultural sector. These technicians will be awarded doctoral degrees. It was further explained that the protocol signed in Managua will be ratified shortly and converted into a broader agreement by the Bulgarian and Nicaraguan ministers of agriculture.

ARDE DENIES RUMORS ON PASTORA BEING WOUNDED

PA312229 Caracas Radio Rumbos Network in Spanish 2100 GMT 31 May 83

[Text] Eden Pastora, also known as Commander Cero, has not been wounded. The Democratic Revolutionary Alliance, Arde, denied the rumors today in San Jose, Costa Rica. There were persistent rumors to the effect that Eden Pastora was wounded in combat on the southern front in Nicaragua. A spokesman for Arde said that Pastora is not only safe and sound, but that he will come up with a surprise in the next hours. Commander Cero is somewhere in the Costa Rican-Nicaraguan border area with hundreds of men ready to launch a big offensive, the Arde spokesman added.

ARDE ISSUES WAR BULLETIN ON RECENT ACTIVITIES

PA280041 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT 27 May 83

[War bulletin No 17 issued on 26 May 1983 by the Democratic Revolutionary Alliance (Arde) General Command -- read by announcer]

[Summary] 1. The Arde General Command reports that at 2130 on 24 May 1983, our Porfirio Melendez squads spotted EPS [Sandinist People's Army] barges transporting 200 troops at a site between (Berdila) and (Agua Fresca).

2. At 0530 on 25 May 1983, the Porfirio Melendez squads opened fire on the EPS forces. The enemy responded with machineguns, rifles, and bazookas.

3. The enemy suffered 65 dead and 30 wounded. There were no casualties on our side.

4. At 0530, the EPS military leadership in Rio San Juan Department instructed one of their boats to sail in front of Arde positions on the San Juan River, but Arde forces soon stopped the three EPS members who were guarding three German individuals working for the Managua regime, and opened fire on them.

5. As a result, the three EPS members were killed; the three Germans survived.

6. "Through efforts made by Commander Eden Pastora Gomez, commander in chief of the Arde forces, the three Germans were turned over to the proper authorities, in accordance with international law and the universal human rights declaration."

7. At dawn on 26 May 1983, Arde military leaders turned the three prisoners over to authorities of the FRC Embassy in Costa Rica, where they are being treated in a private hospital.

8. We are battling against the Somozist past and the communist present. Our morale increases as we wipe out the enemy. Free Fatherland or death!

ARDE WAR BULLETIN CLAIMS 86 ENEMY CASUALTIES

PA281703 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT 28 May 83

[War Bulletin No 19 issued on 27 May 1983 by the Democratic Revolutionary Alliance (Arde) General Command in "the mountains of Nicaragua" -- ready by announcer]

[Text] The Arde General Command reports to the people of Nicaragua and the world's free people that at 1230 on 22 May 1983, the Sandinist and heroic Wencislao Avilez Column attacked the town of Azucena in Rio San Juan Department. This column attacked the installations of the interventionist army, which wrongly calls itself popular and Sandinist inflicting 27 casualties on the enemy. We regret that we must report the death of three companeros who fought communist intervention and totalitarianism.

At 0900 on the same day, the Juan Pablo Gumanzor Column fought the interventionist army in the area of the Cukra River for more than 6 hours, inflicting over 50 casualties on the enemies of our people's freedom. We had five casualties, companeros who fought to the very end to rescue democracy for the Nicaraguan revolution.

Arde's General Command has also reported [words indistinct], Rio San Juan Department, where the army that is violating our national sovereignty suffered eight casualties.

The combative and nationalistic Ezequiel Squad reported the death of one fighter who belonged to the army that is defending the nation's sovereignty.

On 21 May 1983, the Wencislao Avilez Column attacked special Interior Ministry troops, inflicting nine casualties. As a result of this action, the nationalist forces recovered three A-47 rifles, considerable ammunition and a Soviet bazooka. The Wencislao Avilez Column regrets the fall of a heroic fighter in the operation, which was staged to struggle against the violation of our national dignity.

The guerrilla operation staged by the Wencislao Avilez Column was directed by Companero Rogelio, who told the Arde General Command that prior to the fight the interventionist army set fire to nine houses belonging to humble peasants, who were thus left homeless. This is a Cuban-style action. Later, it killed two civilians after torturing them.

The year of the fatherland's sovereignty and national dignity. From the mountains of Nicaragua, 27 May 1983. No to Totalitarianism and no return to the past!

SPAIN'S GONZALEZ ARRIVES; BEGINS L.A. TOUR

FL302305 Bridgetown CANA in English 2244 GMT 30 May 83

[By Brian Mooney]

[Text] Santo Domingo, May 30, (CANA-REUTER) -- Spanish Prime Minister Felipe Gonzalez began his first official visit to the Americas today with a stopover in this Caribbean island before embarking on a mission aimed at promoting peace in Central America.

Gonzalez, Spain's first socialist prime minister since before the 1936-39 Civil War, said he had chosen this Spanish-speaking island as his first stop to underline his desire to foster better relations with Latin America.

He was greeted at Santo Domingo airport by Dominican Republic President Jorge Blanco, and the two government leaders began talks almost immediately.

The struggle for liberty and peace is a task that we must all share, Gonzalez said in an arrival statement aluding to the talks he was scheduled to hold later this week with the leaders of Colombia, Venezuela, Panama and Mexico on ways to halt the violence in Central America.

Blanco, who heads a left-leaning government, recalled that both he and Gonzalez came to power as the result of free elections and paid homage to what he called the temple of democracy.

Venezuela, Colombia, Panama and Mexico make up the so-called Contadora Group that is spearheading a diplomatic drive for peace talks in strife-torn Central America. Although the Dominican Republic has no direct links with the group, Gonzalez was expected to use his talks here with Blanco as a sounding board for his ideas on ways to encourage the peace effort. But Spanish officials stressed that Gonzalez had no intention of trying to involve himself in direct mediations. He only intends to use his goodwill and Spain's moral authority to help what has already been started, one of the officials travelling with Gonzalez said.

The Spanish party was also expected to discuss bilateral issues, mainly economic questions covering the Dominican Republic's debt problems and requests for a new 6.7 million dollar loan from Spain, the officials said.

Statement on C.A. Conflict

PA311819 Madrid EFE in Spanish 0814 GMT 31 May 83

[By Fernando Martinez Lainez]

[Text] Santo Domingo, 31 May (EFE) -- Spanish President Felipe Gonzalez has said that he is ready to make "any effort" asked of him to assist in resolving the Central American and Caribbean crisis.

In his first visit as president to Latin America, Felipe Gonzalez arrived in Santo Domingo after a 9-hour flight. He held several talks with Dominican President Salvador Jorge Blanco on problems in the region and on bilateral cooperation between Spain and the Dominican Republic. Both presidents expressed agreement during an analysis of the serious situation in the region. Felipe Gonzalez stated that the roots of the situation can be traced to structural socioeconomic imbalances.

Gonzalez stated: "To the same extent that peace negotiations are promoted in the region, the internationalization of the conflict will become more remote and will cease to be an immediate threat." He also reiterated the Spanish Government's support for the Central American peace initiatives of various countries in the region.

For his part, the Dominican president told the Spanish president that he believes a "maximum effort must be made to secure a general cease-fire as a prior condition for any solution in Central America."

"I again reiterate," Felipe Gonzalez said during a press conference after his talk with Jorge Blanco, "that I am ready to make whatever effort is asked of me, because the problem concerns me from the human and political viewpoint and it concerns me as president of the Spanish Government."

In the economic field, the Dominican party submitted a broad memorandum to the Spanish party containing projects of possible bilateral cooperation in the fields of industry, agrarian development, infrastructure, electric plants, dams and highways. Regarding the renegotiation of the Dominican foreign debt, which totals \$2.7 billion and which was increased by an IMF loan of \$459 million this year, the Spanish Government will try to exert its influence to make it "bearable" to the American country, Gonzalez stated. Currently outstanding debts to Spanish firms on the island total about \$30 million, in addition to the approximately \$4 million that the Dominican Government owes the Bank of Spain.

OECS 27 MAY MEETING RELEASES COMMUNIQUE

FL301850 Bridgetown CANA in English 1505 GMT 30 May 83

[Text] Roseau, Dominica, May 30, CANA -- Following is the text of the communique issued here following a meeting of the heads of government of member countries of the Organisation of Eastern Caribbean States:

The third meeting of the authority (heads of government) of the Organisation of Eastern Caribbean States was held at the government buildings, Roseau, Dominica on May 27, 1983. The meeting was under the chairmanship of the Hon. Lester Bird, deputy prime minister and minister of foreign affairs of Antigua and Barbuda.

This meeting of the authority was preceded by a ministerial meeting of the OECS Economic Affairs Committee on May 25 and a ministerial meeting of the Foreign Affairs Committee on May 26.

At the meeting of the authority, member states of the organisation were represented by the Hon. Lester Bird, deputy prime minister and minister of foreign affairs of Antigua and Barbuda, Hon. Eugenia Charles, prime minister of Dominica, Hon. Maurice Bishop, prime minister of Grenada, Hon. Kennedy Simmonds, premier, St Kitts-Nevis, Hon. George Mallet, deputy prime minister and minister of industry and trade of St Lucia, Hon. Vincent Beache, minister of trade and agriculture of St Vincent and the Grenadines, and the Hon. John Osborne, chief minister of Montserrat.

The authority received and approved the director-general's report on the functions of the organisation and the Secretariat since the second meeting in November, 1982.

A number of matters were considered by the authority and decisions were taken in respect of many of them.

The authority decided, subject to the reservation of one country, that an agreement on the establishment of an Eastern Caribbean central bank will be signed on July 5th, 1983. It was agreed that states should enact the necessary legislation so that the central bank can come into operation on 1st October, 1983.

The authority considered the question of inducements being offered to Caribbean cricketers, including nationals of OECS states, to participate in cricket tours of South Africa. The authority issued a statement indicating its grave concern and condemnation of these continuing South African endeavours. It considered a request from the West Indies Cricket Board of Control that Caribbean countries should seek to establish a fund aimed at enabling the employment of cricketers in the region, and agreed, subject to the ratification of this by the cabinets of member states, to contribute to this fund.

The authority received reports on the question of the restructuring of the University of the West Indies and agreed to hold a special meeting of the authority with ministers of education present, to consider their position on this matter before the Caribbean Community Heads of Government Conference in July.

The authority received a report from the OECS representatives on the committee on the rationalisation of air transportation in the region.

The authority considered the question of financial and technical assistance for the development of sports in the OECS area and it was agreed that national and sub-regional priorities for sports organisations should be examined, in the light also of the activities of the Caricom Secretariat in the area. It was also agreed to explore measures aimed at facilitating the participation of OECS national teams at the forthcoming netball tournament in Bermuda.

The authority considered matters referred to it from the Economic Affairs Committee. Among these were matters relating to the allocation of, and protection for, industries within the OECS.

The authority reviewed matters relating to the operation of the diplomatic missions in Canada and United Kingdom.

The authority decided that a meeting of technical officials should be held to consider proposals for the re-organisation of the East Caribbean Tourism Association: That a meeting of ministries responsible for civil aviation should be held to review the organisation of civil aviation in the sub-region with a view to ensuring the continuity viability of existing arrangements; and that a meeting of technical officials in the field of telecommunications should be held to consider questions relating to the protection of radio frequencies in the OECS area, and the adherence of OECS countries to an Eastern Caribbean broadcasting agreement.

The authority considered requests from two territories in the Caribbean area for membership in the organisation and agreed that the Secretariat should pursue discussions with the governments of those two territories with a view to determining the nature of their membership in the organisation.

The meeting of the authority was attended by Dr Kurleigh King, secretary-general of the Caribbean Community. [Caricom]

At the end of the meeting, the prime minister of Dominica assumed the chairmanship of the organisation for the next twelve months.

CHARLES COMMENTS ON ISSUES FOR CARICOM SUMMIT

FL281905 Bridgetown CANA in English 1851 GMT 28 May 83

[By Peter Richards]

[Excerpts] Roseau, Dominica, May 28, CANA -- The proposed restructuring of the University of the West Indies (UWI) and regional trade will be foremost among issues the Organisation of Eastern Caribbean States (OECS) will raise at the forthcoming Caribbean Community (Caricom) Heads of Government Summit, it had been officially announced here.

Dominica Prime Minister Eugenia Charles, the new chairman of the seven-nation sub-regional grouping, told reporters last night this was among decisions reached by OECS government leaders during a one-day meeting here yesterday.

On the question of intra-regional trade, Charles said OECS countries wanted the cooperation of the wider Caricom area to ensure that their goods gain easy entry into the various regional markets.

"We are asking that they merely honour the agreements they have had with regards to trade matters," the Dominica leader said. "What we want is an (inroad) into their markets not in detriment to their own things but in detriment to the whole world."

"We are really asking into the market in preference to third countries and I don't think it is too much to ask of a Caricom partner," Charles added.

She said the meeting felt the agreement reached in Barbados earlier this month for ending a trade impasse within the region brought on by Jamaica's decision to introduce a two-tier currency exchange system was good and hoped member Caricom states would abide by it.

"We feel that the decision arrived at...is a good decision. It isn't as yet in operation, it isn't as yet working smoothly, but we intend to abide by that decision," Charles said.

Miss Charles said the meeting did not discuss seeking a possible amendment to the Caricom Treaty with regards to regional trade to ensure that the Jamaica experiment is not repeated. But she added: "We are going forward as a unified group on trade matters (to the Caricom Heads of Government Summit)."

Matters pertaining to the Law of the Sea, OECS diplomatic missions abroad, and sports within the region were also discussed during yesterday's summit.

With regard to overseas diplomatic missions, Miss Charles said the OECS had decided on a head for its mission in Ottawa but that the announcement would be made following the acceptance of the nominee by the Canadian Government.

She said the OECS was contemplating setting up a fund to assist the West Indies Cricket Board of Control (WICBC) in its attempt to prevent more Caribbean cricketers from accepting offers to play in racist South Africa.

OECS CENTRAL BANK SET TO OPEN 1 OCTOBER

FL281830 Bridgetown CANA in English 1713 GMT 28 May 83

[By Peter Richards]

[Text] Roseau, Dominica, May 28, CANA -- The Organisation of East Caribbean States (OECS) Central Bank will come into operation on October 1, Dominica's Prime Minister Eugenia Charles has announced. Charles said the agreement setting up the bank would be signed in Trinidad and Tobago in July.

The central bank would replace the St. Kitts-Nevis headquarters Eastern Caribbean Currency Authority (ECCA) which has been the smaller countries in the Eastern Caribbean's main financial institution for several years.

The bank's operations was one of the matters discussed during Friday's summit of heads of government from the seven OECS members countries.

Charles said that the agreement on the bank's operations would be signed during the Caribbean Community (Caricom) heads of government conference in Trinidad in July and she expects that all OECS member states would be represented.

Prime Minister Charles said that the necessary legislation to establish the bank would be passed in each member territory by September.

The central bank was scheduled to have started operations in July. But officials said nagging problems such as the division of profits made by the institution prevented this. Charles said that these matters had been settled.

BAHAMAS

HANNA ADDRESSES BANKERS ON U.S. 'THREATS'

FL271423 Nassau Domestic Service in English 1200 GMT 27 May 83

[Text] The deputy prime minister and minister of finance, the Honorable Arthur D. Hanna, at last night's Banker's Club dinner meeting said private individuals, business agencies, and the government have to keep in continuous dialogue, this to insure that the government's policies and programs are generally compatible with prevailing banking practices. Sidney Stubbs reports:

[Sidney Stubbs] Mr Hanna said the need for constant two-way communications, between bank and the community which they serve is a key element in the progress and development of any society. He said many banks have taken the call for two-way communications between themselves and the government very seriously. There have been cases, said the deputy prime minister, where the two-way communications between the government and the banking community have not been as progressive and effective as desired. He cited the most recent example of why there needs to be some effective two-way communications between the government and the banking sector.

[Begin Hanna recording] The most recent and perhaps the most serious example of the need to keep alternate communication alive between the government and the banking community involves the current efforts by the U.S. Government to challenge those aspects of Bahamian sovereignty which relates to our laws: the so-called secrecy legislation of off-shore banking centers.

The government and the people of the Bahamas are being continuously and unjustifiably attacked in the foreign press and by foreign governments for maintaining its position in respect of its banking laws, which have been in existence for many years; in fact, long before my time.

The foreign press has failed miserably to report that there are other laws in the Bahamas which outline the procedures for obtaining classified information, and more importantly, that in virtually every country in the Western Hemisphere, including the United States of America, similar laws exist which guarantee individual privacy.

The extent of the seriousness of these charges and level of official disapproval of these scare tactics is evident by the fact that the prime minister has been fit to intervene and register a protest in the strongest terms to high officials in the United States. Indeed a few weeks ago the attorney general of the Bahamas made representation to the Americans that the actions planned by that government with respect to our banking laws were not only unfriendly but, if proceeded with, would threaten the sovereignty of the Bahamas and all similar countries in the Caribbean. [end recording]

Mr Hanna said the government has taken positive steps to safeguard the banking industry.

BARBADOSADAMS PLEDGES CARICOM SUPPORT, NOTES PROBLEMS

FL301930 Bridgetown CANA in English 1827 GMT 30 May 83

[By Reudon Eversley]

[Excerpt] Bridgetown, Barbados, May 30, CANA -- Prime Minister Tom Adams has pledged Barbados' support for the 12-nation Caribbean Community (Caricom), saying his government would not allow the 10-year-old economic grouping of English-speaking countries to collapse without putting up a fight.

Speaking at a public meeting of his ruling Barbados Labour Party (BLP) in a city carpark last night, Adams served notice of his intention to voice "a few hard words" on the future direction of Caricom when regional finance ministers meet here next week. He did not elaborate.

Referring to a recent Caricom trade crisis, the Barbados leader said it was no secret that his government was concerned about such developments. He said there must be more rules within Caricom to prevent a recurrence.

Said Adams: "It is no secret that the government is concerned about recent developments and we are trying to take steps to make sure that we do not find ourselves losing in Caricom what we may be making up in recovery in North America and Europe."

He added: "...the government is paying careful attention to Caricom and all its difficulties and we do not intend to let Caricom go down without a fight."

The public meeting was the first in an islandwide series planned by the BLP to report to the nation on its achievements since being returned to power for a second five-year term nearly two years ago.

Adams said that Barbados' exports to fellow Caricom member states would increase provided there were no restrictions in the way of free trade -- something which triggered the recent impasse.

BERMUDAN PREMIER SWAN ARRIVES ON OFFICIAL VISIT

FL302315 Bridgetown CANA in English 2217 GMT 30 May 83

[Text] Bridgetown, Barbados, May 30, CANA -- Bermuda's Premier John Swan today arrived here with his cabinet secretary for a visit which includes a brief official meeting with Prime Minister Tom Adams and Foreign Affairs Minister Louis Tull.

Most of the premier's time will be spent touring the island tomorrow. He will be visiting a major tourist attraction in central Barbados, Harrison's Cave and will stop at various scenic places around the island. Premier Swan's Cabinet Secretary James Williams told CANA there was no fixed agenda for a meeting with Prime Minister Adams and Foreign Affairs Minister Tull tomorrow morning. He said discussions would touch on "mutual problems and happenings" and tourism matters probably might come up.

Premier Swan is here at the invitation of Prime Minister Adams, who made his first official visit to Bermuda last May. Swan will meet Governor General Sir Deighton Ward after his meeting with Prime Minister Adams and Foreign Minister Tull and then begin his tour. Premier Swan leaves for Antigua and Barbuda Wednesday morning.

BRIEFS

AMBASSADOR RESIGNS -- Bridgetown, Barbados, May 26, CANA -- Barbados ambassador to the United States and the OAS, Charlie Skeete, says he has resigned. Skeete said that his resignation -- for personal reasons -- was sent to the Barbados Government within the past 10 days. "It was a personal decision. I was not asked to resign and I plan to leave the position by the end of July. I made the decision on my own," Skeete said in Washington. The NATION newspaper said that his resignation will presage a shake-up of the senior diplomatic staff at the Washington Embassy. Minister-Counsellor Clifton Maynard is expected to return to Barbados to take up a position as acting permanent secretary in the Ministry of Health, while Orlando Marville, a senior foreign service officer, is expected to be transferred to the Barbados mission at the United Nations, the paper reported. [Bridgetown CANA in English 1541 GMT 26 May 83 FL]

DOMINICA

BRIEFS

SWISS DONATION -- Roseau, Dominica, May 17, CANA -- Dominica is to receive just over half a million United States dollars from a Swiss organisation to be used in a big re-afforestation project. The reafforestation is a project under Dominica's special works programme, a joint effort of the United Nations Development Programme and the ILO aimed at establishing a unique system of technical and financial co-operation for rural development. [Bridgetown CANA in English 2053 GMT 17 May 83 FL]

GRENADA

BISHOP HOPES TO IMPROVE RELATIONS WITH U.S.

FL272326 Bridgetown CANA in English 2316 GMT 27 May 83

[By Peter Richards]

[Text] Roseau, Dominica, May 27, CANA -- Grenada's Prime Minister Maurice Bishop said here today he hoped to use his visit to the United States next week as a stepping stone to improving strained relations between Washington and his left-wing People's Revolutionary Government (PRG).

Bishop, in Dominica for the one-day meeting of leaders of the seven-nation Organisation of Eastern Caribbean States (OECS), told reporters he did not want to stress the differences between Grenada and the United States, but rather to seek areas which could bring the two countries together.

"We would be telling the Americans you are a big powerful country (and) you really don't have to fear little Grenada. We want to tell them let's sit down and talk dialogue ...," the Grenada leader said.

"We have consciously decided that notwithstanding the problems, let us see if we can make an attempt to start a new beginning," he added.

Prime Minister Bishop, accompanied by Foreign Minister Unison Whiteman and Tourism Minister Lyden Ramdhanny, are scheduled to leave St Georges for the U.S. on May 30 at the invitation of the Congressional Black Caucus and Trans Africa, an organisation which promotes the African and Caribbean interests there. The visit will last one week.

Relations between Grenada and the United States have soured largely as a result of the Bishop government's close ties with Soviet bloc countries, especially Cuba.

Bishop said planned activities during his visit to the United States included an address to students at Wade University, as well as a visit to Washington. He did not say whether he would be received by officials at the White House.

Asked if he thought Washington was behind efforts to destabilize his country, the Grenada leader replied: "We haven't seen anything to the contrary, but again on the eve of this particular visit our intention is not to emphasize differences...."

Wants Meeting With Reagan, Shultz

FL311531 Bridgetown CANA in English 1452 GMT 31 May 83

[Text] St. Georges, Grenada, May 31, CANA -- The Grenada Government, which has strained relations with the United States, has made a formal request for Prime Minister Maurice Bishop to have discussions with President Reagan during a one-week visit to the United States.

Mr Bishop made the announcement yesterday, shortly before leaving here with Tourism Minister Lyden Ramdhanny for the United States, at the invitation of Trans Africa and the Congressional Black Caucus.

Trans Africa is an organization promoting Caribbean and African interests in the United States.

The Grenadian prime minister, who has consistently criticized Washington's policies in the Caribbean and Latin America, also said that the leftist Grenada Government had requested a meeting between Foreign Minister Unison Whiteman and U.S. Secretary of State Goerge Shultz.

He gave no details about the issues Grenada wanted to discuss with the United States, but said that one of the important things about the visit was that it could serve to reduce whatever tension now existing between the two countries.

"We want to say to them that in place of confrontation and public exchanges, let us see if we can make dialogue; and establish a permanent standard of communication that would lay the basis for normalising relations, and thereafter for deepening and strengthening them," Bishop said.

Relations between Grenada and the United States have deteriorated since Bishop's pro-Cuba New Jewel Movement (NJM) ousted the Eric Gairy regime in a March 13, 1979 coup.

The United States has accused Grenada of (?human rights) violations. It has also claimed that Grenada was prepared to allow Cuba to use an international airport being built here for military purposes.

The prime minister said he felt that at the people-to-people level there were good relations between Grenada and the United States and that the visit "would offer an opportunity to deepen them." There were already very good relations, he said, between Grenada and different sectors of American society, organisations, and forces inside the United States, and many influential people. "We think again this (trip) would give us the opportunity of strengthening those relations," Bishop added.

The presidents of the Grenada Hotels Association and the Grenada Chambers of Industry and Commerce, Royston Hopkin and Richard Menezes, are also in the delegation.

Ramdhanny said he had appointments to hold discussions with American Airlines and Pan American Airlines and, while it had not yet been arranged, he hoped to hold discussions with Eastern Airlines.

Departure for U.S.

FL311237 Bridgetown CANA in English 1131 GMT 31 May 83

[Text] St Georges, Grenada, May 31, CANA-REUTER -- Grenada's Prime Minister Maurice Bishop and Tourist Minister Lyden Ramdhanny left for the U.S. yesterday on a visit aimed at improving relations with the Reagan administration, government officials said.

President of the Grenada Hotels Association, Royston Hopkin, and Richard Menezes, president of the Grenada Chamber of Industry and Commerce, are also in the delegation. The visit was also seen as a move to boost the country's tourist industry, the Tourist Ministry said.

Bishop has been invited to the U.S. by a group of black congressmen and Trans-Africa, an organization of Afro-Americans which promotes African and Caribbean interests.

Grenada has been under fire from the Reagan administration since 1979 when Bishop's left-leaning New Jewel Movement took power in a military coup.

GOVERNMENT APPOINTS HART ATTORNEY GENERAL

FL281630 Bridgetown CANA in English 1605 GMT 28 May 83

[Text] St Georges, Grenada, May 28, CANA -- The Grenada People's Revolutionary Government (PRG) last night announced the appointment of veteran leftwing Jamaican lawyer, Richard Hart, to the post of attorney-general and director of public prosecutions.

State-owned Radio Free Grenada said Hart's appointment follows a decision by the government to separate the responsibilities of the Ministry of Justice, headed by lawyer Kendrick Radix, from those of the attorney-general.

Hart, also a historian and trade unionist, previously served as legal consultant in the Justice Ministry here from July 1982. He is a founder-member of Jamaica's opposition People's National Party (PNP), but was among four militants expelled in 1952.

The radio said under the laws of Grenada, the post of attorney-general can be either a ministerial or a civil service post, but the recent government decision had made it a public office.

Radix, who held the portfolio, will however continue to have political responsibility for legal affairs in his capacity as minister of justice, the radio added.

BRIEFS

VENEZUELAN DONATION -- The Venezuelan Government has presented a gift of dental equipment to the Dental Department of the General Hospital. The presentation was made on Tuesday by Venezuela's acting ambassador to Grenada, (Romulo Nicete). Ambassador (Nicete) said his government is always ready to help Grenada despite the economic difficulties now facing Venezuela. This, he said, is part of the government's policy of assistance and peaceful coexistence. The gift comprises a dental chair, dentist's tools, an X-ray unit, and a compressor. [St Georges Domestic Service in English 2300 GMT 19 May 83 FL]

NEW ELECTRIC GENERATORS -- The Grenada Electricity Company is to increase its capacity by three megawatts next February with the installation of two new generators. The generators will be bought with the \$6.2-million loan from the European investment bank to improve electricity services. [Summary] [St Georges Domestic Service in English 2300 GMT 14 May 83 PA]

JAMAICA

SHEARER EXPRESSES SUPPORT FOR CONTADORA GROUP

FL301901 Bridgetown CANA in English 1704 GMT 30 May 83

[Excerpt] Kingston, Jamaica, May 30, CANA -- Jamaica has expressed support for the efforts of the so-called Contadora Group -- a mission of officials from Mexico, Venezuela, Panama, Colombia -- to bring peace and stability to troubled Central America.

Speaking at the closing session of the ruling Jamaica Labour Party's (JLP) annual conference Sunday, Foreign Minister Hugh Shearer said the government wanted to see a relaxation of tensions in Central America and supported the "Contadora efforts for peace in the area." Shearer said that the regimes in Central America should be monitored to ensure that pledges made during consultations about peace are made good. Alongside the peace efforts, the West and Japan should "adequately fund socio-economic programmes for the development of Central America," Shearer said.

Washington's Caribbean Basin Initiative (CBI), Mexico and Venezuela's oil facility, and the efforts of Colombia and Canada were examples of what the others should do, he added.

Shearer said that nothing had been heard so far from Western European countries and Japan who had the capacity to help fund meaningful development programmes in the region.

BURNHAM OFFERS INCENTIVES TO ESSEQUIBO SETTLERS

PA270224 Paris AFP in Spanish 1813 GMT 26 May 83

[Text] Georgetown, 26 May (AFP) -- Guyanese President Forbes Burnham today expressed his desire to colonize the Essequibo region with military personnel. He spoke at a ceremony commemorating the 17th anniversary of the country's independence. The Essequibo region is being claimed by Venezuela. The territorial dispute is presently in the hands of UN Secretary General Javier Perez de Cuellar.

Burnham was speaking to thousands of soldiers who participated in the "Green Heart" military maneuvers held with live ammunition in the Essequibo region. These are part of a Guyanese military custom of holding maneuvers every year in honor of national independence on 26 May 1966. However, for the second consecutive year these military maneuvers were held in the Essequibo region, observers pointed out in Georgetown.

"The military must not only be prepared to evict enemy troops from our territory, but to cooperate in the exploitation of the vast economic resources of the whole territory, especially in the case of the rich northeastern region." In his speech, Burnham pointed out that his government had decided to involve the armed forces, police and militias in development tasks, not only in the border areas, but throughout the country. "We must defend our economic independence and our freedom throughout the land, but especially in the region claimed by our friends to the west," said Burnham. Diplomatic observers in Georgetown said that Burnham used the expression "our friends to the west" in a veiled reference to the Venezuelan authorities. It was added that Burnham's references to the Venezuelan Government have changed significantly in the last few months.

They Guyanese president had praised the patriotism of his fellow citizens during 1981 and 1982, when they harshly attacked President Luis Herrera Campins' government and accused him of expansionist ambitions to the detriment of Guyana. Burnham interpreted the modernization of the Venezuelan Air Force and Navy as an arms building strategy and as warmongering against Guyana.

Venezuela's comments on the Guyanese credit applications with the World Bank for development projects in the Essequibo region had been sharply criticized by Burnham, it was recalled. However, the language used by Burnham was interpreted in Georgetown as a result of the present mediation that Perez de Cuellar is carrying out in the dispute over the 157,000 square km of the Essequibo region. Therefore, the same sources labeled it as part of Guyanese strategy not to compromise the mediator.

According to Burnham, "The Essequibo region is probably the wealthiest of our whole country." "The military defense of our territory is not just a task to be carried out with weapons in hand, but through an effort that will guarantee the economic and social development of the border regions," said Burnham.

The president offered economic incentives to the soldiers, policemen and militiamen who voluntarily transfer to the Essequibo region with their families. The majority of the traditional inhabitants of the Essequibo region are Amerindians, a Guyanese ethnic minority, and those of Hindu and African origin.

MARXIST PARTY BACKS WORKER STRIKES OVER FOOD

FL301940 Bridgetown CANA in English 1704 GMT 29 May 83

[Text] Georgetown, Guyana, May 29, (CANA) -- Guyana's Marxist People's Progressive Party (PPP) has joined workers in the bauxite and sugar industries who went on strike this month in calling on government to move to end a food shortage here.

The party, headed by ex-Premier Dr Cheddi Jagan, said: "The PPP supports the bauxite workers in taking strike action for food supplies. Sugar workers too have been left in the lurch with the authorities dragging their feet on the issue of essential supplies. Repeated protests have produced no concrete results."

Bauxite and sugar workers held separate strikes this month in an effort to pressure government to lift its bans on importation of certain food items and to make others more readily available.

The Guyana Government has restricted or banned the importation of some food items because of serious foreign exchange problems and also in an effort to make the republic self-sufficient in food production.

The PPP, in its statement, said that sugar and bauxite workers performed back-breaking tasks in the national interest. It added that it was difficult to understand how the government and the state corporations could expect maximum output and greater sacrifices from workers when they were denied basic food items.

FRENCH GUIANAHAVANA REPORTS ON BOMBINGS IN FRENCH DEPARTMENTS

PA301837 Havana International Service in Spanish 0000 GMT 30 May 83

[Text] Several bombs have exploded in Guadeloupe and Martinique while another caused serious damage to the employment office for overseas workers in Paris. Guadeloupe and Martinique are French overseas departments.

In Guiana, another island [as heard] under French jurisdiction, three more explosions occurred and one person was killed. Some observers pointed to the fate of several members of the Armed Liberation Group [Grupo de Liberacion Armada] is decided. This organization was allegedly dismantled in 1981. Three members of the group were charged with attacking a plane and causing the death of one person.

New Group Claims Responsibility

PA301420 Paris AFP in English 1354 GMT 30 May 83

[Text] Cayenne, French Guiana, May 30 (AFP) -- A statement denouncing "colonial France" and signed by an organisation calling itself the Caribbean Revolutionary Alliance (CRA) today claimed responsibility for the weekend's wave of bombings in Guiana, Martinique, and Guadeloupe.

The statement, addressed to a local radio and television station, said that the CRA, a previously unheard-of organisation, "will not finish hitting at the French colonialist and his local collaborators until the total independence of these countries." Guiana, Martinique, and Guadeloupe are French overseas departments.

URUGUAYBLANCO PARTY DECIDES TO RESUME DIALOGUE

PY310352 Paris AFP in Spanish 2215 GMT 30 May 83

[Excerpts] Montevideo, 30 May (AFP) -- It was announced in Montevideo today that after a 4 and 1/2 hour heated meeting, the leadership of the Blanco Party of Uruguay decided by a majority vote to resume dialogue with the armed forces in order to reach the country's scheduled redemocratization. During the meeting the leadership of the traditional Uruguayan political party also decided to condemn the confiscation and closure for 6 months of its weekly, LA DEMOCRACIA. The closure was ordered because it had published a photograph of King Juan Carlos and Wilson Ferreira Aldunate, member of the Blanco Party living in exile, on the cover. According to the government decree, the photograph had been visibly altered.

The Blanco Party leadership has also decided to address a note to COMPASPO [Armed Forces Political Affairs Commission] informing it of its decision to continue participating in the dialogue. It was pointed out that during its weekly meeting COMASPO will study the current situation and make a decision on the issue.

Political circles are almost certain that the dialogue will be resumed on 6 June in view of the Blanco Party's radical change of mind.